

**MEMO# 28352**

August 29, 2014

# IRS and Treasury Release 2014-2015 Priority Guidance Plan

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TO: 529 PLAN MEMBERS No. 16-14  
ACCOUNTING/TREASURERS MEMBERS No. 11-14  
INTERNATIONAL MEMBERS No. 29-14  
PENSION MEMBERS No. 36-14  
TAX MEMBERS No. 24-14  
TRANSFER AGENT ADVISORY COMMITTEE No. 57-14 RE: IRS AND TREASURY RELEASE  
2014-2015 PRIORITY GUIDANCE PLAN

The IRS and Treasury Department have released their 2014-2015 Priority Guidance Plan listing their priorities for tax regulations and other administrative guidance through June 2015. [\[1\]](#) We are pleased to report the following projects requested by the Institute [\[2\]](#) have been or continue to be included on the plan:

## Items of Interest to Funds and Fund Shareholders

- Final regulations revising the regulated investment company (RIC) asset test examples in §1.851-5.
- Guidance under §853 relating to a RIC's European Union tax reclaim recovery.
- Proposed and final regulations under §446 and §6045 relating to shares in certain money market funds.
- Revenue procedure that describes the circumstances in which the Internal Revenue Service will not treat a redemption of shares in a money market fund as part of a wash sale under §1091.
- Notice updating Notice 97-64 to reflect changes to §852 by the Regulated Investment Company Modernization Act of 2010.
- Final regulations under §1092 relating to identified mixed straddles.
- Final regulations on the application of §1256 to certain derivative contracts.
- Final regulations providing guidance under §6049 for the reporting of premium.
- Regulations on prepaid forward contracts.
- Regulations relating to accruals of interest (including discount) on distressed debt.
- Guidance on §988 transactions, including hedging transactions.
- Regulations under §446 on notional principal contracts (NPC) relating to the inclusion in income or deduction of a contingent nonperiodic payment and guidance relating to

the character of payments made pursuant to an NPC.

- Final regulations on the treatment of upfront payments on swaps under §956.
- Revenue Procedure that will modify Revenue Procedure 2011-16 relating to the treatment of distressed debt under §856.
- Regulations under §871(m) on dividend equivalent payments.
- Guidance under Chapter 3 (§§1441-1446) and under Chapter 4 (§§1471-1474), including Regulations under §1441 and §1446 regarding withholding issues.
- Final regulations under §6038D on foreign financial asset reporting.
- Guidance under §§1295, 1297, and 1298 on passive foreign investment companies.
- Regulations and other guidance under §7701, including guidance regarding entity classification and Regulations under §7701 coordinating the entity classification election with elections under subchapter M.
- Final regulations relating to the masking of taxpayer identification numbers on payee statements.
- Final regulations under §856 clarifying the definition of real property for purposes of the rules for real estate investment trusts.
- Guidance clarifying the definition of income in §856(c)(3) for purposes of the real estate investment trust qualification tests.

## **Retirement Savings Items**

- Guidance under §402(c) on distributions that are disbursed to multiple destinations.
- Regulations under §411(a)(11).

The 2014-2015 Priority Guidance Plan also includes numerous other projects that relate to funds, fund shareholders, and retirement savings. These projects include:

## **Items of Interest to Funds and Fund Shareholders**

- Guidance under §166 on the conclusive presumption of worthlessness for bad debts.
- Regulations addressing issues relating to mark-to-market accounting under §475.
- Guidance under §165 on worthless stock losses.
- Regulations under §1012 regarding basis rules for stock and debt.
- Final regulations under §7701 regarding Series LLCs and cell companies.
- Guidance under §894, including regulations regarding the application of various treaty provisions to payments through hybrid entities.
- Guidance under §6105 on the confidentiality of tax convention information.
- Guidance on the definition of political subdivision under §103 for purposes of the tax-exempt, tax credit, and direct pay bond provisions.
- Final regulations on public approval requirements for private activity bonds under §147(f).

## **Retirement Savings Items**

- Regulations on exceptions to additional tax under §72(t) on early distributions from retirement plans and IRAs.
- Guidance regarding revisions to the determination letter process and interim amendment procedures.
- Guidance regarding substantiation of hardship distributions.
- Guidance regarding Qualified Nonelective Contributions (QNECs) and Qualified Matching Contributions (QMACs).
- Guidance under §§401(k)(12) and (13) on safe harbor §401(k) plans regarding certain mid-year changes and certain business transactions.

- Regulations under §402A on distributions from designated Roth accounts that are disbursed to multiple destinations.
- Guidance under §404 on deductions for employer contributions to qualified plans.
- Guidance on rules applicable to IRAs under §§408 and 408A.
- Guidance updating regulations for service credit and vesting under §411.
- Guidance relating to the aggregation rules under §414(m).
- Regulations on the definition of governmental plan under §414(d).
- Regulations on eligible combined plans under §414(x).
- Guidance under §3405 regarding distributions made to payees with an address outside the United States.
- Guidance concerning §4975.
- Regulations relating to the reporting requirements under §6057.
- Final regulations under §§6057, 6058, and 6059 regarding electronic filing of Form 5500.
- Guidance on group trusts under Revenue Rulings 81-100 and 2011-1.
- Additional guidance on issues relating to lifetime income from retirement plans.
- Guidance on certain issues related to multiple employer plans.
- Revenue Procedure amending Revenue Procedure 2013-12 relating to Employee Plans Compliance Resolution System (EPCRS) to provide guidance with regard to certain corrections.
- Guidance providing clarification regarding the Voluntary Closing Program for failures not covered by EPCRS.

Howard Bard  
Associate Counsel – Pension Regulation

Ryan Lovin  
Assistant Counsel – Tax Law

#### **endnotes**

[1] The 2014-2015 Priority Guidance Plan is available at:  
[http://www.irs.gov/pub/irs-utl/2014-2015\\_pgp\\_initial.pdf](http://www.irs.gov/pub/irs-utl/2014-2015_pgp_initial.pdf).

[2] See Institute [Memorandum](#) 28176 for Tax items and Institute Memorandum 28078 for Retirement Plan items.