MEMO# 25469

September 8, 2011

IRS and Treasury Release 2011 - 2012 Priority Guidance Plan

[25469]

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TO: 529 PLAN MEMBERS No. 8-11
ACCOUNTING/TREASURERS MEMBERS No. 23-11
INTERNATIONAL MEMBERS No. 40-11
TAX MEMBERS No. 32-11
TRANSFER AGENT ADVISORY COMMITTEE No. 73-11
PENSION MEMBERS No. 49-11 RE: IRS AND TREASURY RELEASE 2011 - 2012 PRIORITY GUIDANCE PLAN

The IRS and Treasury Department have released their 2011-2012 Priority Guidance Plan listing their priorities for tax regulations and other administrative guidance through June 2012. [1] We are pleased to report that the following projects requested by the Institute [2] have been included on the plan:

Items of Interest to Funds and Fund Shareholders

- Guidance under the RIC Modernization Act of 2010 on §852(b).
- Regulations under §446 on notional principal contracts (NPCs) 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.
- Guidance on prepaid forward contracts.
- Regulations on the application of §1256 to certain derivative contracts.
- Guidance relating to accruals of interest (including discount) on distressed debt.
- Regulations and other guidance relating to taxpayer identification numbers on payee statements.

Retirement Savings Items

- Guidance under §402(c) on distributions that are disbursed to multiple destinations.
- Guidance on §403(b) plans.

The 2011-2012 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 §337(d) related to (REITs) and (RICs).
- Regulations relating to the active trade or business requirement under §355(b).
- Regulations regarding the application of the segregation rules to small shareholders under §382.
- Final regulations regarding continuity of interest.
- Regulations under §1273 for determining when a debt instrument is publicly traded.
- Regulations amending §1.1275-7 to provide guidance or inflation-indexed debt instruments issued at a premium.
- Regulations under §6045 to address basis reporting for options and debt instruments.
- Guidance under §§1297 and 1298 on passive foreign investment companies.
- Regulations under §871(m) added by the Hiring Incentives to Restore Employment (HIRE) Act of 2010.
- Guidance under §1441 updating Rev. Proc. 89-47 on central withholding agreements.
- Regulations and other guidance under §§1471-1474 and 6011(e)(4) added by the HIRE Act of 2010.
- Guidance on issues under income tax treaties, including beneficial ownership.
- Guidance updating Rev. Proc. 2006-54 on the Competent Authority Program.
- Final regulations under §§195, 248, and 709 regarding the elections to amortize start-up and organizational expenditures.

Retirement Savings Items

- Guidance on exceptions to additional tax under §72(t) on early distributions from retirement plans and IRAs.
- Notice on cumulative list of changes in the requirements for §401(a) plans.
- Final regulations on suspension or reduction of safe harbor contributions under §401(k) and (m).
- Regulations under §402A on distributions from designated Roth accounts that are disbursed to multiple destinations.
- Guidance on rules applicable to IRAs under §§408 and 408A.
- Guidance on governmental plan status under §414(d).
- Revenue procedure relating to ruling requests under §414(e) for church plans.
- Regulations on eligible combined plans under §414(x), as added by the Pension Protection Act of 2006.
- Guidance under §§417 and 401(a)(11) for defined contribution plans.
- Guidance relating to compliance with certain reporting requirements under §§6057, 6058, and 6059 for retirement plans.
- Revenue procedure updating Revenue Procedure 2005-16 for determination, opinion and advisory letters for pre-approved plans.
- Guidance on group trusts under Revenue Rulings 81-100 and 2011-1.
- Revenue procedure updating Employee Plans Compliance Resolution System (EPCRS).
- Guidance on certain issues relating to lifetime income from retirement plans.

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endnotes

[1] The 2011–2012 Priority Guidance Plan can be found on the IRS's website at: http://www.irs.gov/pub/irs-utl/2011-2012_pgp.pdf.

[2] See Institute Memorandum [25249] for Tax items and Institute Memorandum [25235] for Retirement Plan items.
