

**MEMO# 26723**

November 26, 2012

## **IRS and Treasury Release 2012 - 2013 Priority Guidance Plan**

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TO: 529 PLAN MEMBERS No. 15-12  
ACCOUNTING/TREASURERS MEMBERS No. 19-12  
INTERNATIONAL MEMBERS No. 52-12  
TAX MEMBERS No. 41-12  
TRANSFER AGENT ADVISORY COMMITTEE No. 75-12  
PENSION MEMBERS No. 35-12 RE: IRS AND TREASURY RELEASE 2012 - 2013 PRIORITY  
GUIDANCE PLAN

The IRS and Treasury Department have released their 2012-2013 Priority Guidance Plan listing their priorities for tax regulations and other administrative guidance through June 2013. [\[1\]](#) We are pleased to report that 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**

- Guidance under the RIC Mod act of 2010.
- Regulations relating to accruals of interest (including discount) on distressed debt.
- 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.
- Regulations on prepaid forward contracts.
- Regulations relating to Taxpayer Identification Numbers on payee statements.
- Final regulations on the application of §1256 to certain derivative contracts.

### **Retirement Savings Items**

- Guidance under §402(c) on distributions that are disbursed to multiple destinations.
- Revenue Procedure 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

- Regulations revising the RIC asset test examples in §1.851-5.
- Final Regulations 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.
- Regulations under §1273 for determining when a debt instrument is publicly traded.
- Final regulations amending §1.1275-7 to provide guidance on Treasury Inflation-Protected Securities (TIPS) 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 under §894 on issues under income tax treaties, including beneficial ownership.
- Guidance updating Rev. Proc. 2006-54 on the Competent Authority Program.
- Regulations under §§709 and 195 on organizational and start-up expenses of a partnership after a technical termination.
- Final Regulations under §7701 regarding Series LLCs and cell companies and other guidance regarding entity classification.

## Retirement Savings Items

- Guidance on exceptions to additional tax under §72(t) on early distributions from retirement plans and IRAs.
- Revenue Procedure under §§401(a) and 403(a) updating interim amendment procedures in Revenue Procedure 2007-44.
- Final regulations under §401(a)(9) on deferred annuities.
- 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 updating regulations for service credit and vesting under §411.
- Regulations on the definition of governmental plan under §414(d).
- Regulations on eligible combined plans under §414(x), as added by the Pension Protection Act of 2006.
- Guidance under §3405 regarding distributions made to payees with an address outside the United States.
- Guidance under §§6057, 6058, and 6059 for late filers of Form 5500 series.
- Regulations under §§6057, 6058, and 6059 regarding electronic filing of Form 5500.
- Revenue Procedure updating Revenue Procedure 2007-44 for determination letters for individually designed plans.
- Guidance on group trusts under Revenue Rulings 81-100 and 2011-1.
- Guidance facilitating rollovers into retirement plans.
- Additional guidance on issues relating to lifetime income from retirement plans.

- Guidance on certain issues related to multiple employer plans.
- Revenue Procedure updating Employee Plans Compliance Resolution System (EPCRS).

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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/PUP/pub/irs-utl/2012-2013\\_pgp.pdf](http://www.irs.gov/PUP/pub/irs-utl/2012-2013_pgp.pdf).

[2] See Institute Memorandum [26084] for Tax items and Institute Memorandum [26115] for Retirement Plan items.

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