

MEMO# 6725

March 8, 1995

IRS AND TREASURY RELEASE 1995 BUSINESS PLAN

March 8, 1995 TO: TAX COMMITTEE No. 12-95 ACCOUNTING/TREASURERS COMMITTEE No. 14-95 TRANSFER AGENT ADVISORY COMMITTEE No. 17-95 RE: IRS AND TREASURY RELEASE 1995 BUSINESS PLAN

In the attached "1995 Guidance Priorities," the Internal Revenue Service ("IRS") and the Treasury Department have announced their 1995 priorities for tax regulations and other administrative guidance. IRS and Treasury intend to issue regulations/guidance on the approximately 150 projects identified in this document by year-end. Among the income tax projects of interest to regulated investment companies ("RICs") and their shareholders are the following: final regulations under section 475 on selected issues relating to mark-to-market accounting for securities dealers. guidance on section 171 relating to the amortization of bond premium. final regulations under section 246(c) on certain issues relating to the dividends received deduction. guidance on certain hybrid financial instruments. final regulations under section 1258 on selected conversion transaction issues. final regulations under section 1275 on debt instruments with contingent payments. PFIC guidance. guidance under section 731 on selected issues relating to the recognition of gains on the distribution from a partnership of marketable securities. final regulations concerning when a modification of a debt instrument is an exchange under section 1001. - 2 - guidance on Indopco. Among the tax compliance projects of interest to RICs and their shareholders are the following: revisions to withholding rules on payments made to foreign persons and changes to reporting requirement regulations under sections 1441, 1461-1464. proposed regulations under section 6109 to provide a TIN for taxpayers who are not eligible for a social security number. final regulations under section 3406 on backup withholding. guidance under section 6061 on signature alternatives. final regulations under section 6302(h) relating to the deposit of taxes by electronic funds transfer. proposed regulations under section 7503 updating the list of legal holidays for purposes of determining the time for performance of acts where the last day falls on a Saturday, Sunday, or legal holiday. revenue procedure under section 3406 modifying participation in, and the operation of, the TIN matching program prototype. revenue procedure under section 6001 on the use of an imaging system to store tax records. revenue procedure under section 6042 implementing the filing of a paperless Form 941. revenue procedure under section 6302 on the electronic payment system for Federal tax payments. * * * We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax - 3 - Attachment

abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.