

**MEMO# 14920**

July 12, 2002

## **IRS AND TREASURY RELEASE 2002 PRIORITY GUIDANCE PLAN**

[14920] July 12, 2002 TO: ACCOUNTING/TREASURERS COMMITTEE No. 33-02  
INTERNATIONAL COMMITTEE No. 53-02 TASK FORCE ON ADVISER/DISTRIBUTOR TAX ISSUES  
TAX MEMBERS No. 29-02 TRANSFER AGENT ADVISORY COMMITTEE No. 56-02 UNIT  
INVESTMENT TRUST COMMITTEE No. 18-02 RE: IRS AND TREASURY RELEASE 2002 PRIORITY  
GUIDANCE PLAN The Internal Revenue Service ("IRS") and the Treasury Department have  
released their "2002 Priority Guidance Plan," which lists their priorities for tax regulations  
and other administrative guidance through June 30, 2003. The 2002 Priority Guidance Plan  
lists 250 projects. We are pleased to report that the following projects requested by the  
Institute<sup>1</sup> have been included on the plan: • Guidance on the treatment of certain  
obligations backed by Treasury securities for RIC diversification purposes. • Guidance under  
sections 162 and 263 regarding deduction and capitalization of expenditures.<sup>2</sup> • Guidance  
on synthetic tax-exempt bonds. Among the other projects that are, or may be, of interest to  
regulated investment companies ("RICs") and their shareholders, and to unit investment  
trusts treated as grantor trusts and their unitholders, are the following: • Guidance  
regarding redemptions of corporate stock. • Final regulations regarding conversions of C  
corporations to RIC or REIT status. 1 See, e.g., Institute Memorandum to Tax Committee No.  
15-02, dated May 1, 2002. 2 See, e.g., Institute Memorandum to Tax Committee No. 9-01  
and Task Force on Adviser/Distributor Tax Issues, dated February 26, 2001. 2 • Guidance  
regarding requests for rulings under section 355. • Guidance regarding the active trade or  
business requirement of section 355(b). • Regulations under section 529 regarding  
qualified tuition programs. • Guidance on derivative contracts. • Final regulations under  
section 671 regarding requirements for widely held fixed investment trusts. • Guidance on  
PFIC provisions. • Guidance under section 1441. • Guidance on securities lending. • Final  
regulations relating to ITINs on expedited basis. • Guidance under section 704(b) regarding  
capital account book-up. • Final regulations under section 3406 to clarify the counting of  
notices to payors when multiple notices are received. • Final regulations regarding  
electronic payee statements. • Guidance under section 6011 regarding the disclosure of  
certain large transactions. • Guidance necessary to facilitate electronic tax administration.  
Keith Lawson Senior Counsel Attachment Note: Not all recipients receive the attachment.  
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should not be considered a substitute for, legal advice.