26 CFR 601.204: Changes in accounting periods and in methods of accounting.

(Also Part I, §§ 446; 1.446–1.)

Rev. Proc. 97–38

SECTION 1. PURPOSE

.01 This revenue procedure implements an administrative decision, made by the Commissioner in the exercise of discretion under section 446 of the Internal Revenue Code. Under this revenue procedure, accrual method manufacturers, wholesalers, and retailers of motor vehicles or other durable consumer goods may, in certain specified and limited circumstances, include a portion of an advance payment related to the sale of a multi-year service warranty contract in gross income generally over the life of the service warranty obligation. A taxpayer may change to or adopt the service warranty income method. The procedures for a taxpayer to change to the service warranty income method are provided in Rev. Proc. 97–37, page 18, which provides simplified and uniform procedures to obtain automatic consent to make this and other changes in methods of accounting. This revenue procedure modifies and supersedes Rev. Proc. 92–98, 1992–2 C.B. 512.

.02 The service warranty income method described in this revenue procedure is the same method of accounting that was described in Rev. Proc. 92–98. Accordingly, a taxpayer that properly changed to or adopted this method pursuant to Rev. Proc. 92–98 is not required to change its method of accounting to comply with this revenue procedure.

SECTION 2. BACKGROUND

.01 In general, payments received by an accrual method taxpayer for services to be performed in the future must be included in gross income in the taxable year of receipt. The Commissioner recognizes that this treatment has resulted in a significant and unique cash flow problem for certain accrual method taxpayers that sell multi-year service warranty contracts to customers in connection with the sale of motor vehicles or other durable consumer goods and immediately pay a third-party to insure their risks under the contracts.

.02 Accordingly, these taxpayers will be permitted to adopt or change to a special method of accounting for advance payments that would alleviate the cash flow problem arising in these situations but would generally conform economically to the tax treatment of advance payments under current law. In general, this method of accounting permits these taxpayers to recognize and include in gross income, generally over the period of their service warranty contracts, a series of equal payments, the present value of which equals the portion of the advance payment qualifying for deferral. This method of accounting is described in further detail in section 5 of this revenue procedure.

SECTION 3. DEFINITIONS

.01 The "service warranty income method" for advance payments is the method of accounting permitted by this revenue procedure and described in section 5 of this revenue procedure.

.02 The "qualified advance payment amount" is the portion of an advance payment received by a taxpayer under a multi-year service warranty contract that is paid by that taxpayer to an unrelated third party within 60 days after receipt for insurance costs associated with a policy insuring that taxpayer's obligations under the contract.

.03 The classification of goods as "durable consumer goods" for purposes of this revenue procedure depends on the common usage of the goods, rather than the purchaser's actual intended use of the goods. Thus, a taxpayer qualifying under this revenue procedure does not have to segregate, as non-qualifying advance payments, those payments under multi-year service warranty contracts entered into with a purchaser that will use the underlying durable consumer goods in its trade or business.

SECTION 4. SCOPE

.01 Except as provided in sections 4.03 and 4.04 of this revenue procedure, the use of the service warranty income method is available to any accrual method manufacturer, wholesaler, or retailer of motor vehicles or other durable consumer goods with respect to qualified advance payment amounts received on service warranty contracts:

(1) that are fixed-term service arrangements with respect to a motor vehicle or other durable consumer good purchased by a customer;

(2) that are separately priced, such that customers have the option to purchase the service warranty contracts for an expressly stated amount separate from the price of the underlying motor vehicle or other durable consumer good;

(3) for which the service period begins in the taxable year the advance payment is received or upon expiration of a fixed-term manufacturer's warranty beginning in the taxable year the advance payment is received;

(4) for which the taxpayer purchases a policy that constitutes insurance for federal income tax purposes from an unrelated third party to insure its obligation under the service warranty contract; and

(5) for which the taxpayer makes payment to the unrelated third party insurer within 60 days after receipt of the advance payment for the entire amount of the insurance costs associated with the policy insuring its obligations under the service warranty contract.

.02 For purposes of section 4.01 of this revenue procedure, a service warranty contract will be treated as a fixed-term arrangement even if the contract provides for a reasonable mileage or other usage cap that is generally commensurate with average consumer mileage or usage over the term of the contract and which causes termination of the fixed-term arrangement when exceeded. Also for purposes of section 4.01 of this revenue procedure, a taxpayer has not made payment to an unrelated third party insurer if the taxpayer and the payee are related persons within the meaning of § 267(b) or 707(b)(1).

.03 A taxpayer is not within the scope of this revenue procedure unless the taxpayer either (1) has never previously received advance payments under service warranty contracts prior to the taxable year of an adoption under this revenue procedure, or (2) uses the proper method of accounting for advance payments under its service warranty contracts (*see Schlude v. Commissioner*, 372 U.S. 128 (1963), 1963–1 C.B. 99).

.04 A taxpayer also is not within the scope of this revenue procedure unless the taxpayer uses the proper method of accounting for amounts paid or incurred for insurance costs that cover the taxpayer's risks under service warranty contracts. *See* section 5.03 of the APPENDIX of Rev. Proc. 97–37 for a description of that proper method.

SECTION 5. DESCRIPTION OF THE SERVICE WARRANTY INCOME METHOD

.01 *In general.* Taxpayers with an advance payment within the scope of section 4 of this revenue procedure may elect to include a qualified advance payment amount, increased by an imputed income amount, in gross income on a level basis over the shorter of:

(1) the period beginning in the taxable year the advance payment is received and ending when the service warranty contract terminates; or

(2) a 6-taxable-year period beginning in the taxable year the advance payment is received.

This method of accounting permits these taxpayers to recognize and include in gross income, generally over the period of their service warranty contracts, a series of equal payments, the present value of which equals the qualified advance payment amounts received by the taxpayer. A taxpayer using the service warranty income method provided by section 5 of this revenue procedure must include in income, in the taxable year of receipt, the excess of aggregate advance payments received during a taxable year over aggregate qualified advance payment amounts for the taxable year.

.02 *Simplifying table.*

(1) An electing taxpayer must use the table in the APPENDIX of this revenue procedure to determine the amount of the gross income (attributable to a qualified advance payment amount) that must be reported annually under the service warranty income method.

(2) To use the table for a particular contract, a taxpayer first uses the column headed by the "Term of Service Agreement in Years." The taxpayer determines which column to use by ascertaining the length (the number of years) of its service warranty contract (limited to six years) without regard to whether there is a period for which there are no obligations under the contract. For example, if a service warranty contract begins in the third year after payment is received and ends in the fifth year after payment, the taxpayer uses the column headed "5." The taxpayer then finds the factor in the row headed by "The Applicable Interest Rate," which is defined in section 5.04 of this revenue procedure. If the applicable interest rate in this instance is 8 percent, the resulting factor would be .2319. This factor is multiplied by the qualified advance payment amount to determine the "annual equal payment amount" included in gross income each year for the number of years at the top of the column.

(3) A taxpayer may calculate the aggregate amount to be included in gross income each year by aggregating the qualified advance payment amounts with respect to contracts of the same class (that is, 2-year contracts, 3-year contracts, etc.). See section 5.08 of this revenue procedure for examples of the service warranty income method.

.03 *Special rule for when the taxpayer's trade or business ceases.* In the year in which the taxpayer's trade or business ceases (as defined in section 5.02(3) of Rev. Proc. 97–37), the remaining qualified advance payment amounts that have been deferred must be accelerated and included in gross income, along with appropriate imputed income amounts. These amounts must be determined using the applicable interest rates specified in section 5.04 of this revenue procedure and must be sufficient to ensure that the net present value of all amounts included in income over the period of deferral equals the qualified advance payment amounts that would have been reported and included in income upon receipt in the absence of an election under this revenue procedure. See the example in section 5.08(1)(c) of this revenue procedure. The Service will compute the amounts to be included in the year of cessation for any taxpayer that submits a request for a ruling pursuant to Rev. Proc. 97–1, 1997–1 I.R.B. 11 (or any successor). The Service waives the applicable user fee required under Rev. Proc. 97–1 for these requests.

.04 *Applicable interest rate.* The applicable interest rate to be applied to the qualified advance payment amount received for a particular contract in a particular taxable year under the service warranty income method is the applicable federal rate in effect for purposes of § 1274(d) (compounded annually) for the month with or within which the taxable year ends. For purposes of this revenue procedure, the applicable federal rate is rounded to the nearest full percent (or if a multiple of 1/2 of 1 percent, such rate shall be increased to the next highest full percent).

.05 *Effects of the imputed income.* Any income imputed on a qualified advance payment amount under this service warranty income method must not be taken into account for any purpose under the Internal Revenue Code other than the determination of a taxpayer's income. Thus, for example, the income imputed on a qualified advance payment amount may not increase the basis of any asset held by the taxpayer and may not be recovered as a deduction in any taxable year. Additionally, any income imputed on a qualified advance payment amount may not be taken into account, for example, in determining:

(1) the earnings and profits of any corporation under § 312;

(2) the adjustments to a shareholder's stock basis in an S corporation under § 1367;

(3) the adjustments to a partner's interest in a partnership under § 705; or

(4) the investment adjustments (or adjustments to an excess loss account) under § 1.1502–32 of the Income Tax Regulations with respect to the stock of any consolidated group member owned by another member of the group.

.06 *Special rules for customer cancellations of service warranty contracts and terminations of service warranty contracts because of mileage or usage limitations.*

(1) *Customer cancellations.* If a customer cancels a service warranty contract during the taxable year of sale and, in that year, receives a refund of amounts paid, the amount refunded is not included in the taxpayer's income for the year of the sale. If a customer cancels a service warranty contract after the year in which the taxpayer sold the contract, the taxpayer must

continue to include the annual equal payment amount obtained from the APPENDIX table in gross income for the original length of the cancelled contract. Any amount refunded to the customer reduces income in the year paid. Imputed income amounts added to a qualified advance payment amount are not considered in (and have no effect on) the determination of this reduction of income. Thus, reductions for refunds upon customer cancellation of a multi-year service warranty contract are to be determined in the same manner as if the taxpayer did not make an election under this revenue procedure.

(2) *Terminations.* If a contract terminates because of a mileage or usage limitation during or after the year in which the taxpayer sold the contract, the taxpayer must continue to include the annual equal payment amount obtained from the APPENDIX table in gross income for the original length of the terminated contract. See paragraph (b) of Example 1 in section 5.08 of this revenue procedure.

.07 *Short taxable years.* If a taxpayer using the table in the APPENDIX of this revenue procedure has a short taxable year during the term of its service warranty contract, the applicable table factor for the short period must be multiplied by a fraction, the numerator of which is the number of months in the short period, and the denominator of which is 12. After a short taxable year for which the table factor adjustment of the preceding sentence has been made, the taxpayer must continue to determine its gross income on a prior year's qualified advance payment amount using the applicable table factor for each 12-month taxable year (or that table factor multiplied by an appropriate fraction for any other short periods), until the number of months for which the qualified advance payment amount is taken into account (determined as if the qualified advance payment amount is first taken into account in the first month of the year in which the advance payment is received) is equal to the number of months in the original contract term (as determined under section 5.02 of this revenue procedure). If less than 12-months' inclusion remains for the final year, the applicable table factor for that year may be determined as if it were a short period containing the number of months remaining on the contract not yet taken into account. See Example 2 in section 5.08 of this revenue procedure.

.08 *Examples of the service warranty income method.*

(1) *Example 1.*

(a) A, a calendar year accrual basis taxpayer, elects under this revenue procedure to use the service warranty income method of accounting for its qualified advance payment amounts on service warranty contracts. A sold 5 service warranty contracts on January 1, 1997, for $800 each. A also sold 5 service warranty contracts on December 31, 1997, for $800 each. All the service warranty contracts sold by A in 1997 carry a term of 5 years and run concurrently with the manufacturer's warranties. Further, A pays, within 60 days of the receipt of each advance payment, $600 per contract to an unrelated third party to insure (in an arrangement that constitutes insurance) its obligations under the service warranty contracts. The applicable interest rate, determined in accordance with section 5.04 of this revenue procedure, is 10 percent.

A aggregates all its qualified advance payment amounts on its 5-year service warranty contracts, thus determining that $6,000 of qualified advance payment amounts were received in 1997 with respect to the class of 5-year service warranty contracts. Applying the "10% and 5-year" factor of .2398 found in the table in the APPENDIX of this revenue procedure, A determines that it must report gross income of $1,439 ($6,000 x .2398) in 1997 through 2001 under the election provided in this revenue procedure. In addition, A must include in gross income in 1997 the $2,000 payment received for services that is not deferred under this revenue procedure. Gross income is reported by A as follows:

Description of Item	1997	1998	1999	2000	2001
Non-deferred Income	$2,000				
Deferred Income	1,439	$1,439	$1,439	$1,439	$1,439
Gross Income	$3,439	$1,439	$1,439	$1,439	$1,439

Assuming that A is an S corporation with a single shareholder and that A reported no income other than that arising from the above service warranty transactions, the shareholder would report the following § 1367 adjustments to stock basis:

Description of Item	1997	1998	1999	2000	2001
Non-deferred Income	$2,000				
Deferred Income	1,200	$1,200	$1,200	$1,200	$1,200
Gross Income	$3,200	$1,200	$1,200	$1,200	$1,200

The stock basis adjustment for the deferred advance payment amount is determined by ratably spreading the stock basis adjustment over the term of the service warranty contract. Since the service warranty contract is treated as sold at the beginning of the taxable year, the stock basis adjustment each year would be $1,200 ($6,000/5). The aggregate imputed income of $1,195 ($239 x 5) on the $6,000 of aggregate qualified advance payment amounts for 1997 is not taken into account at any time by the shareholder in determining its basis in the A stock.

(b) If one of the service warranty contracts described in paragraph (a) terminates because of a mileage or usage limitation in 1999, there is no effect on the amounts that A must include in gross income each year. Under section 5.06 of this revenue procedure, A would continue to report the amounts of gross income set forth in section 5.08(1)(a) of this revenue procedure even if one or more of its service warranty contracts is terminated.

(c) If A's business ceases in 1999, A must include the $2,000 non-qualified advance payment amount in gross income in 1997 and the $1,439 annual equal payment amount in gross income in 1997 and 1998, as in section 5.08(1)(a) of this revenue procedure above. However, in 1999, A must accelerate and include in gross income the remaining advance payment amount plus an appropriate imputed income amount.

To calculate this amount, A must first determine the portion of the qualified advance payment amount and the portion of imputed income included in each annual equal payment amount. For 1997, the annual equal payment amount included in income, $1,439, is entirely from the qualified advance payment amount because no income is imputed to the taxpayer in the first taxable year. Thus, the $6,000 deferred qualified advance payment amount is reduced for A's inclusion of $1,439 in 1997 leaving $4,561 of deferred qualified advance payment amount remaining.

For 1998, A multiplies the applicable interest rate of 10% by the 1997 remaining qualified advance payment amount of $4,561. That product, $456, constitutes the imputed income portion of the 1998 annual equal payment amount of $1,439. The difference between $1,439 and $456 ($983) is the portion of the annual equal payment amount that constitutes the qualified advance payment amount. The $983 reduces the qualified advance payment amount remaining after 1997 to $3,578.

When A's business ceases in 1999, A must include in gross income the qualified advance payment amount remaining after 1998 and an appropriate imputed income amount. The appropriate imputed income amount is the product of the qualified advance payment amount remaining after 1998 and the applicable interest rate ($3,578 x 10%), which is $358. Thus, in 1999, A includes in gross income $3,936 ($3,578 + $358).

(2) *Example 2*. X, a calendar year accrual basis taxpayer, elects under this revenue procedure to use the service warranty income method of accounting for its qualified advance payment amounts on service warranty contracts. X sold 5 service warranty contracts on January 1, 1997, for $800 each. X also sold 5 service warranty contracts on December 31, 1997, for $800 each. All the service warranty contracts sold by X in 1997 carry a term of 5 years and run concurrently with the manufacturer's warranties. Further, X pays, within 60 days of the receipt of each advance payment, $600 per contract to an unrelated third party to insure (in an arrangement that constitutes insurance) its obligations under the service warranty contracts. The applicable interest rate, determined in accordance with section 5.04 of this revenue procedure, is 10 percent.

X aggregates all its qualified advance payment amounts on its 5-year service warranty contracts, thus determining that $6,000 of qualified advance payment amounts were received in 1997 with respect to the class of 5-year service warranty contracts. Applying the "10% and 5-year" factor of .2398 found in the table in the APPENDIX of this revenue procedure, X determines that it has annual equal payment amounts of $1,439 includible in gross income in 1997 through 2001 under the election provided in this revenue procedure. In addition, X must include in gross income in 1997 the $2,000 payment received for services that is not deferred as a qualified advance payment amount by this revenue procedure.

After making the initial determinations above, X experiences a short taxable year of 7 months beginning on January l, 1999, and ending on July 31, 1999. After the 7-month short period, X's taxable year ends on July 31. When X experiences the 7-month short period, X must multiply the factor in the table in the APPENDIX of this revenue procedure by a fraction, the numerator of which is the number of the months in the short period, and the denominator of which is 12. This adjusted factor of .1399 (7/12 x .2398) is applied to the qualified advance payment amount of $6,000. The product, $839, is included in X's gross income for the short taxable year. Because X's contracts had a term of 5 years or 60 months (and are assumed under this revenue procedure to have begun at the beginning of the 1997 taxable year), there are 5 additional months in the taxable year ending July 31, 2002, for which a portion of the annual equal payment amount must be taken into account. Thus, X includes $600 (5/12 x .2398 x $6,000) in gross income. Gross income is reported by X in each taxable year as follows:

Description of Item	1997	1998	7-month Short Yr.	Yr. End 7/31/00	Yr. End 7/31/01
Non-deferred Income	$2,000				
Deferred Income	1,439	$1,439	$ 839	$1,439	$1,439
Gross Income	$3,439	$1,439	$ 839	$1,439	$1,439

Description of Item	Yr. End 7/31/02
Non-deferred Income	
Deferred Income	$ 600
Gross Income	$ 600

SECTION 6. CHANGING TO OR ADOPTING SERVICE WARRANTY INCOME METHOD

.01 *Automatic change*. A taxpayer wanting to change its method of accounting to the service warranty income method must follow the provisions of Rev. Proc. 97–37.

.02 *Adoption of method.* A qualifying taxpayer may adopt the service warranty income method in any taxable year ending on or after August 18, 1997 by attaching a statement to its timely filed original federal income tax return (including extensions) for the year of adoption.

.03 *Statement.* The statement referred to in section 6.02 of this revenue procedure should be identified at the top as follows: "ELECTION OF THE SERVICE WARRANTY INCOME METHOD UNDER REV. PROC. 97–38." The statement should set forth:

(1) a paragraph stating that the taxpayer is electing the service warranty income method for all advance payments (as defined in this revenue procedure) received in the current taxable year and to be received in subsequent taxable years;

(2) a paragraph stating that the taxpayer agrees to all the terms and conditions of this Rev. Proc. 97–38, and specifically stating that the taxpayer agrees to include in gross income all imputed income amounts necessary at the applicable interest rate determined in accordance with section 5.04 of this revenue procedure so that the net present value of gross income inclusions in taxable years to which qualified advance payment amounts are being deferred equals the amount of qualified advance payment

amounts received in earlier taxable years;

(3) a description of the service warranty contracts sold during the taxable year the service warranty income method is elected;

(4) the aggregate amount of the qualified advance payment amounts received for each class (3-year contracts, 4-year contracts, etc.) of service warranty contracts sold during the taxable year of election;

(5) the future value factors that are to be applied to the aggregate qualified advance payment amounts for each class of service warranty contracts sold during the election year; and

(6) the signature by or on behalf of the taxpayer making the election by an individual with the authority to bind the taxpayer in such matters. For example, an officer must sign on behalf of a corporation, a general partner on behalf of a state law partnership, a member-manager on behalf of a limited liability company, a trustee on behalf of a trust, or an individual taxpayer on behalf of a sole proprietorship. If the taxpayer is a member of a consolidated group, the statement submitted on behalf of the taxpayer must be signed by a duly authorized officer of the common parent. See section 6.02(4) of Rev. Proc. 97–37.

.04 *Annual reporting requirement*. Upon election of the service warranty income method of accounting, a taxpayer must satisfy an annual reporting requirement. For each taxable year after election of the service warranty income method, the taxpayer must attach a statement to its timely filed original federal income tax return setting forth:

(1) a description of the service warranty contracts sold during the taxable year;

(2) the aggregate amount of the qualified advance payment amounts received for each class of service warranty contracts sold during the taxable year; and

(3) the future value factors that are to be applied to the aggregate qualified advance payment amounts for each class of service warranty contracts sold during the taxable year.

SECTION 7. EFFECT OF AND REVOCATION OF ELECTION

The election of the service warranty income method under this revenue procedure constitutes a change to or adoption of a method of accounting. Because the service warranty income method constitutes a method of accounting, an electing taxpayer must use that method for all its qualified advance payment amounts on service warranty contracts described in section 4.01 of this revenue procedure. The election of the service warranty income method may only be revoked with the consent of the Commissioner. Thus, to request revocation of an election under this revenue procedure, a taxpayer must apply to the Commissioner to change its method of accounting under the procedures prescribed in Rev. Proc. 97–27, 1997–21 I.R.B. 10.

SECTION 8. FAILURE TO COMPLY

Failure of the taxpayer (and, in the case of, for example, an S corporation or partnership, any of its shareholders or partners) to comply with all the requirements of this revenue procedure will constitute grounds for revocation of the service warranty income method election by the Commissioner and may result in revocation of the election by an examining agent beginning in the first open taxable year of noncompliance.

SECTION 9. APPLICABILITY OF REV. PROC. 97–37

The definitions in Rev. Proc. 97–37 apply for purposes of this revenue procedure, except to the extent provided otherwise in this revenue procedure.

SECTION 10. INQUIRIES

Inquiries regarding this revenue procedure may be addressed to the Commissioner of Internal Revenue, Attention: CC:DOM:IT&A, 1111 Constitution Avenue, NW, Washington, DC 20224.

SECTION 11. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 92–98, 1992–2 C.B. 512, is modified, and as modified, is superseded. However, see the transition rules in section 13.02 of Rev. Proc. 97–37.

SECTION 12. EFFECTIVE DATE

This revenue procedure is effective for any taxable year of a qualifying taxpayer ending on or after August 18, 1997.

SECTION 13. PAPERWORK REDUCTION ACT

The collections of information contained in this revenue procedure have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545–1551.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays

APPENDIX
(Table)

Applicable Interest Rate	Term of Service Agreement in Years					
	1	2	3	4	5	6
1.0%	1.0000	0.5025	0.3367	0.2537	0.2040	0.1708
2.0%	1.0000	0.5050	0.3400	0.2575	0.2080	0.1750
3.0%	1.0000	0.5074	0.3432	0.2612	0.2120	0.1792
4.0%	1.0000	0.5098	0.3465	0.2649	0.2160	0.1834
5.0%	1.0000	0.5122	0.3497	0.2686	0.2200	0.1876
6.0%	1.0000	0.5146	0.3529	0.2723	0.2240	0.1919
7.0%	1.0000	0.5169	0.3561	0.2759	0.2279	0.1961
8.0%	1.0000	0.5192	0.3593	0.2796	0.2319	0.2003
9.0%	1.0000	0.5215	0.3624	0.2832	0.2359	0.2045
10.0%	1.0000	0.5238	0.3656	0.2868	0.2398	0.2087
11.0%	1.0000	0.5261	0.3687	0.2904	0.2438	0.2130
12.0%	1.0000	0.5283	0.3717	0.2940	0.2477	0.2172
13.0%	1.0000	0.5305	0.3748	0.2975	0.2516	0.2214
14.0%	1.0000	0.5327	0.3778	0.3011	0.2555	0.2256
15.0%	1.0000	0.5349	0.3808	0.3046	0.2594	0.2298

a valid OMB control number.

The collections of information in this revenue procedure are in section 6. This information is necessary and will be used to determine whether the taxpayer is properly using the service warranty income method. The collections of information are required for the taxpayer to use the service warranty income method. The likely respondents are the following: individuals, business or other for-profit institutions, and small businesses or organizations.

The estimated total annual reporting burden is 5,000 hours.

The estimated annual burden per respondent varies from 2 hours to 3 hours, depending on individual circumstances, with an estimated average of 2.5 hours. The estimated number of respondents is 2,000.

The estimated annual frequency of responses is once.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

DRAFTING INFORMATION

This revenue procedure was drafted in the Office of Assistant Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, contact Michael F. Schmit on (202) 622-4960 (not a toll free call).