

# Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

## Section 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of March 1999. See Rev. Rul. 99-11, page 18.

## Section 165.—Losses

*26 CFR 1.165-11: Election in respect of losses attributable to a disaster.*

**Insurance companies; interest rate tables.** Prevailing state assumed interest rates are provided for the determination of the reserves under section 807 of the Code for contracts issued in 1998 and 1999. Rev. Rul. 92-19 supplemented in part.

## Rev. Rul. 99-13

Under § 165(i) of the Internal Revenue Code, if a taxpayer suffers a loss attributable to a disaster occurring in an area subsequently determined by the President of

the United States to warrant assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5204c (1988 & Supp. V 1993) (the Act), the taxpayer may elect to claim a deduction for that loss on the taxpayer's federal income tax return for the taxable year immediately preceding the taxable year in which the disaster occurred.

Section 1.165-11(e) of the Income Tax Regulations provides that the election to deduct a disaster loss for the preceding year must be made by filing a return, an amended return, or a claim for refund on or before the later of (1) the due date of the taxpayer's income tax return (determined without regard to any extension of time to file the return) for the taxable year in which the disaster actually occurred, or (2) the due date of the taxpayer's income tax return (determined with regard to any extension of time to file the return) for the taxable year immediately preceding the

taxable year in which the disaster actually occurred.

The provisions of § 165(i) apply only to losses that are otherwise deductible under § 165(a). An individual taxpayer may deduct losses if they are incurred in a trade or business, if they are incurred in a transaction entered into for profit, or if they are casualty losses under § 165(c)(3).

The President has determined that during 1998 the areas listed below have been adversely affected by disasters of sufficient severity and magnitude to warrant assistance by the Federal Government under the Act.

## DRAFTING INFORMATION

The principal author of this revenue ruling is Timothy Sheppard of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Sheppard on (202) 622-4960 (not a toll-free call).

Disaster Areas in 1998	Type of Disaster	Date of Disaster
Alabama Counties of Barbour, Butler, Coffee, Conecuh, Covington, Crenshaw, Dale, Escambia, Geneva, Henry, Houston, and Randolph	Severe storms and flooding	March 7-21, 1998
Counties of Covington, Cullman, Jefferson, St. Clair, Tuscaloosa, and Walke	Severe storms and tornadoes	April 8-20, 1998
Counties of Baldwin, Butler, Choctaw, Clarke, Coffee, Conecuh, Covington, Crenshaw, Escambia, Geneva, Lowndes, Mobile, Monroe, and Washington	Hurricane Georges	September 25-October 6, 1998
California Counties of Alameda, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, Fresno, Glenn, Humboldt, Kern, Lake, Los Angeles, Marin, Mendocino, Merced, Monterey, Napa, Orange, Riverside, Sacramento, San Benito, San Bernadino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Ventura, Yolo, and Yuba	Severe winter storms and flooding	February 2-April 30, 1998
Delaware County of Sussex	Severe winter storms, high winds, and flooding	January 28-February 6, 1998

Florida		
Counties of Alachua, Baker, Bay, Bradford, Brevard, Broward, Calhoun, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hernando, Highlands, Hillsborough, Holmes, Jackson, Lafayette, Lake, Levy, Liberty, Madison, Manatee, Marion, Nassau, Okaloosa, Okeechobee, Orange, Osceola, Pasco, Pinellas, Polk, Putnam, Santa Rosa, Sarasota, Seminole, St. Johns, Sumter, Suwannee, Taylor, Union, Volusia, Walton, and Washington	Severe storms, high winds, tornadoes, and flooding	December 25, 1997- April 24, 1998
Counties of Broward, Dade, and Monroe	Severe storms, high winds, tornadoes, and flooding	February 2-4, 1998
Counties of Alachua, Baker, Bay, Bradford, Brevard, Broward, Calhoun, Charlotte, Citrus, Clay, Collier, Columbia, Dade, DeSoto, Dixie, Duval, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Hernando, Highlands, Hillsborough, Holmes, Indian River, Jackson, Jefferson, Lafayette, Lake, Lee, Leon, Levy, Liberty, Madison, Manatee, Marion, Martin, Monroe, Nassau, Okaloosa, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Santa Rosa, Sarasota, St. Johns, St. Lucie, Seminole, Sumter, Suwannee, Taylor, Union, Volusia, Wakulla, Walton, and Washington	Extreme fire hazards	May 25-July 22, 1998
Counties of Bay, Dixie, Franklin, Gulf, Taylor, and Wakulla	Hurricane Earl	September 3, 1998
Counties of Bay, Calhoun, Columbia, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Liberty, Monroe, Okaloosa, Santa Rosa, Suwannee, Walton, and Washington	Hurricane Georges	September 25- October 7, 1998
Counties of Monroe and Palm Beach	Tropical Storm Mitch	November 4-5, 1998
Georgia		
Counties of Appling, Atkinson, Bacon, Baldwin, Baker, Barrow, Bartow, Ben Hill, Berrien, Bibb, Bleckley, Brantley, Brooks, Bryan, Bulloch, Burke, Butts, Calhoun, Candler, Carroll, Charlton, Chatham, Cherokee, Clay, Clayton, Clinch, Cobb, Coffee, Colquitt, Columbia, Cook, Crawford, Crisp, Dade, Dawson, DeCatur, DeKalb, Dodge, Dooly, Dougherty, Douglas, Early, Echols, Effingham, Emanuel, Evans, Floyd, Forsyth, Fulton, Glynn, Gordon, Grady, Gwinnett, Habersham, Hall, Haralson, Heard, Henry, Houston, Irwin, Jeff Davis, Jefferson, Jenkins, Johnson, Jones, Lamar, Lanier, Laurens, Lee, Liberty, Lincoln, Long, Lowndes, Lumpkin, Macon, McIntosh, Miller, Mitchell, Monroe, Montgomery, Murray, Muscogee, Newton, Paulding, Peach, Pickens, Pike, Pulaski, Quitman, Rabun, Randolph, Richmond, Rockdale, Screven, Seminole, Spalding, Stewart, Sumter, Talbot, Tattnall, Telfair, Terrell, Thomas, Tift, Toombs, Towns, Treutlen, Turner, Twiggs, Union, Walker, Ware, Wayne, Webster, Wheeler, White, Wilcox, Wilkinson, and Worth	Severe storms and flooding	February 14- May 11, 1998
Indiana		
Counties of Benton, Jasper, Lake, LaPorte, Newton, Porter, Pulaski, Saint Joseph, and Starke	Severe storms, tornadoes and flooding	June 11-July 7, 1998

Counties of Benton, Clay, Crawford, Fayette, Franklin, Gibson, Greene, Howard, Knox, Lawrence, Madison, Miami, Monroe, Montgomery, Orange, Owen, Parke, Pike, Putnam, Rush, Sullivan, Union, Vigo, Wayne, and Warren	Severe storms, tornadoes, and flooding	June 11-July 7, 1998
<b>Iowa</b> Counties of Adair, Allamakee, Appanoose, Audubon, Benton, Black Hawk, Boone, Buchanan, Buena Vista, Butler, Calhoun, Carroll, Cass, Cedar, Cerro Gordo, Chickasaw, Clarke, Clay, Clayton, Clinton, Crawford, Dallas, Davis, Decatur, Delaware, Des Moines, Dickinson, Emmet, Fayette, Floyd, Franklin, Fremont, Greene, Grundy, Guthrie, Hamilton, Hancock, Hardin, Harrison, Henry, Howard, Humboldt, Iowa, Jasper, Jefferson, Johnson, Keokuk, Kossuth, Lee, Linn, Louisa, Lucas, Madison, Mahaska, Marion, Marshall, Mills, Monona, Montgomery, Muscatine, Osceola, Page, Palo Alto, Pocahontas, Polk, Pottawattamie, Poweshiek, Ringgold, Sac, Shelby, Story, Tama, Taylor, Union, Wapello, Warren, Washington, Webster, Winnebago, Winneshiek, and Wright	Severe storms, tornadoes, and flooding	June 14, 1998- July 15, 1998
<b>Kansas</b> Counties of Bourbon, Cherokee, Douglas, Franklin, Jackson, Jefferson, Johnson, Leavenworth, Linn, Seward, Wabaunsee, and Wyandotte	Severe storms, flooding, and tornadoes	October 1-8, 1998
Counties of Butler, Chase, Coffey, Cowley, Douglas, Franklin, Greenwood, Harper, Harvey, Johnson, Leavenworth, Lyon, Marion, Neosho, Saline, Sedgwick, Sumner, Wilson, Woodson, and Wyandotte	Severe storms and flooding	October 30- November 15, 1998
<b>Kentucky</b> Counties of Adair, Bath, Boyle, Breathitt, Carter, Casey, Clark, Clay, Clinton, Elliott, Estill, Fleming, Garrard, Greenup, Jackson, Johnson, Knox, Laurel, Lawrence, Lee, Lewis, Lincoln, Madison, Magoffin, McCreary, Menifee, Mercer, Montgomery, Morgan, Nicholas, Owsley, Powell, Pulaski, Robertson, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe	Severe winter storm	February 4-6, 1998
Counties of Adair, Barren, Bell, Breathitt, Casey, Clay, Floyd, Johnson, Knott, Knox, Lawrence, Lee, Leslie, Letcher, Magoffin, Metcalfe, Owsley, Perry, Pike, Warren, and Whitley	Severe storms, tornadoes, and flooding	April 16- May 10, 1998
<b>Louisiana</b> Parishes of Acadia, Ascension, Assumption, Baptist, Cameron, Evangeline, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebone, Vermilion, and Washington	Tropical Storm Frances and Hurricane Georges	September 9- October 4, 1998
<b>Maine</b> Counties of Androscoggin, Aroostook, Cumberland, Franklin, Hancock, Kennebec, Knox, Lincoln, Penobscot, Piscataquis, Oxford, Sagadahoc, Somerset, Waldo, Washington, and York	Severe ice storms, rain, and heavy winds	January 5-25, 1998
Counties of Androscoggin, Franklin, Kennebec, Oxford, Somerset, and York	Severe storms and flooding	June 13-July 1, 1998

Marshall Islands		
Ailinglaplap, Ailuk, Arno, Aur, Bikini, Ebeye, Ebon, Enewetak, Jabat, Jaluit, Kili, Kwajalein, Lae, Lib, Likiep, Majuro, Maloelap, Mejit, Mili, Namorik, Namu, Ujae, Utrik, Wotho, and Wotje	Severe drought	January 17-June 30, 1998
Massachusetts		
Counties of Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester	Heavy rains and flooding	June 13-July 6, 1998
Michigan		
Counties of Bay, Clinton, Gratiot, Ionia, Kent, Mason, Montcalm, Newaygo, Oceana, Ottawa, Saginaw, and Shiawassee	Severe storms and straight-line winds	May 31, 1998
County of Muskegon	Severe storms and straight-line winds	May 29-31, 1998
Counties of Macomb and Wayne	Severe storms and high winds	July 21-22, 1998
Micronesia		
State of Chuuk: Eot, Ettal, Etten, Fanapanges, Fefen, Fonanu, Fono, Houk, Kuttu, Lekinioch, Losap, Makur, Moch, Murillo, Nama, Namoluk, Nomwin, Oneop, Onou, Onoun, Paata, Parem, Piherach, Piis-Emwar, Piis-Paneu, Pollap, Polle, Polowat, Romanum, Ruo, Satowan, Siis, Ta, Tetiw, Tol, Tomatam, Tonoas, Udot, Uman, Unanu, Weno, and Wonei. State of Phonpei: the areas of Kipingamarangi, Mwoakilloa, Nukuoro, Oroluk, Pakin, Pingelap, and Sapwuahfik. State of Yap: Eauripik, Elato, Fais, Faraulap, Ifalik, Lamotrek, Ngulu, Satawal, Sorol, Ulithi, Wolei, and Yap Proper.	Severe drought	January 25-June 30, 1998
Minnesota		
Counties of Blue Earth, Brown, Cottonwood, LaSueur, Nicollet, Nobles, and Rice	Severe storms and tornadoes	March 29, 1998
Counties of Anoka, Blue Earth, Carver, Dakota, Faribault, Fillmore, Freeborn, Goodhue, Hennepin, Houston, Jackson, Mower, Olmsted, Ramsey, Rice, Scott, Wabasha, Washington, and Winona	Severe storms, straight-line winds, and tornadoes	May 15-June 28, 1998
Mississippi		
Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jasper, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Pike, Stone, and Wayne	Hurricane Georges	September 25-October 5, 1998
Missouri		
Counties of Jackson and St. Louis; and City of St. Louis	Severe storms and flooding	July 10-31, 1998
Counties of Andrew, Barton, Caldwell, Carroll, Cedar, Chariton, Clay, Dade, DeKalb, Jackson, Linn, Livingston, Macon, Miller, Moniteau, Morgan, Platte, Polk, and Ray	Severe storms and flooding	October 4-11, 1998
New Hampshire		
Counties of Belknap, Carroll, Cheshire, Coos, Grafton, Hillsborough, Merrimack, Stafford, and Sullivan	Severe ice storms, rain, and high winds	January 7-25, 1998

Counties of Belknap, Carroll, Grafton, Hillsborough, Merrimack, Rockingham, and Sullivan	Severe storms and flooding	July 12-July 2, 1998
New Jersey Counties of Atlantic, Cape May, and Ocean	Severe winter coastal storm, high winds, and flooding	February 4-9, 1998
New York Counties of Clinton, Essex, Franklin, Genesee, Jefferson, Lewis, Monroe, Niagara, Saratoga, and St. Lawrence	Severe winter and ice storms, high winds, and flooding	January 5-17, 1998
Counties of Broome, Chenango, Otsego, Rensselaer, Saratoga, and Wyoming	Severe thunderstorms and tornadoes	May 31-June 2, 1998
Counties of Allegany, Cattaraugus, Clinton, Delaware, Erie, Essex, Franklin, Genesee, Livingston, Monroe, Steuben, Sullivan, Tioga, Tompkins, and Wyoming	Severe storms and flooding	June 25-July 10, 1998
Counties of Cayuga, Fulton, Herkimer, Madison, Monroe, Nassau, Oneida, Onondaga, Ontario, Orleans, and Wayne	Severe storms and high winds	September 7, 1998
North Carolina Counties of Ashe, Avery, Dare, Haywood, Madison, Mitchell, Robeson, Transylvania, Watauga, and Yancey	Severe storms and flooding	January 7-February 12, 1998
Counties of Durham, Edgecombe, Lenoir, Nash, Rockingham, Wake, and Wayne	Severe storms, tornadoes, and flooding	March 20-April 1, 1998
Counties of Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Greene, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Washington, and Wayne	Hurricane Bonnie	August 25-September 1, 1998
North Dakota Counties of Barnes, Benson, Cass, Dickey, LaMoure, Nelson, Pembina, Pierce, Ramsey, Ransom, Richland, Rolette, Sargent, Stutsman, Towner, Walsh; and Indian Reservations of the Spirit Lake Sioux Tribe and the Turtle Mountain Band of Chippewa	Flooding ground saturation, and severe storms	March 2-July 18, 1998
Northern Mariana Islands Island of Rota	Typhoon Paka and associated torrential rains	December 16-17, 1998
Ohio Counties of Athens, Belmont, Coshocton, Franklin, Guernsey, Harrison, Holmes, Jackson, Jefferson, Knox, Meigs, Monroe, Morgan, Morrow, Muskingum, Noble, Ottawa, Perry, Pickaway, Richland, Sandusky, Tuscarawas, and Washington	Severe storms, flooding, and tornadoes	June 24-July 5, 1998
Oregon County of Crook	Flooding	May 28-June 3, 1998
Pennsylvania Counties of Allegheny, Beaver, Berks, Pike, Susquehanna, Somerset, and Wyoming	Severe storms, tornadoes and flooding	May 31-June 2, 1998

Puerto Rico All municipios	Hurricane Georges	September 20- October 27, 1998
South Carolina County of Horry	Hurricane Bonnie	August 25- September 1, 1998
South Dakota Counties of Brown, Clark, Codington, Day, Hanson, Marshall, McCook, Roberts, and Spink	Flooding, severe storms, and tornadoes	April 25-June 22, 1998
Tennessee Counties of Bledsoe, Bradley, Campbell, Cannon, Carter, Chester, Clay, Cocke, Crockett, Cumberland, DeKalb, Fentress, Gibson, Greene, Grundy, Hawkins, Haywood, Jackson, Jefferson, Johnson, Madison, Meigs, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Tipton, Unicoi, Van Buren, Warren, Washington, and White	Severe storms and flooding	January 6- February 12, 1998
Counties of Anderson, Blount, Bradley, Campbell, Carroll, Cheatham, Claiborne, Crockett, Davidson, Dickson, Dyer, Gibson, Giles, Grainger, Hamblen, Hancock, Hardin, Hawkins, Humphreys, Jackson, Jefferson, Knox, Lauderdale, Lawrence, Loudon, Macon, Madison, Maury, Monroe, Morgan, Pickett, Polk, Rhea, Roane, Robertson, Scott, Sevier, Shelby, Sumner, Union, Wayne, Williamson, and Wilson	Severe storms, tornadoes, and flooding	April 16-May 18, 1998
Counties of Lawrence and Lewis	Flooding and severe storms	July 13-July 28, 1998
Texas Counties of Edwards, Kimble, Kinney, Maverick, Real, Uvalde, Val Verde, and Webb	Tropical Storm Charley	August 22-31, 1998
Counties of Brazoria, Galveston, Harris, Jefferson, and Matagorda	Severe storms and flooding associated with Tropical Storm Frances	September 9- October 5, 1998
Counties of Austin, Atascosa, Bastrop, Bexar, Blanco, Brazoria, Burleson, Caldwell, Calhoun, Colorado, Comal, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Grimes, Guadalupe, Harris, Hays, Jackson, Jefferson, Jim Wells, Karnes, Kendall, Lavaca, Liberty, Matagorda, Medina, Montgomery, Nueces, Polk, Refugio, San Jacinto, San Patricio, Travis, Trinity, Victoria, Walker, Waller, Wharton, and Wilson	Severe storms, flooding, and tornadoes	October 17- November 15, 1998
U.S. Virgin Islands Islands of St. Croix, St. John, St. Thomas, and Water Island	Hurricane Georges	September 19-22, 1998
Vermont Counties of Addison, Chittenden, Franklin, Grand Isle, Orange, and Windsor	Severe ice storms, rain, high winds, and flooding	January 6-16, 1998
Counties of Addison, Caledonia, Chittenden, Essex, Franklin, Lamoille, Orange, Orleans, Rutland, Washington, and Windsor	Severe storms and flooding	June 17-August 17, 1998

Virginia Cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach	Hurricane Bonnie	August 25-September 1, 1998
Washington Counties of Ferry and Stevens	Severe storms and flooding	May 26-29, 1998
City of Kelso (Cowlitz County), specifically the Aldercrest-Banyon subdivision	Landslide	March 6-November 19, 1998
West Virginia Counties of Braxton, Cabell, Calhoun, Clay, Doddridge, Gilmer, Harrison, Jackson, Kanawha, Lewis, Marion, Marshall, Ohio, Pleasants, Ritchie, Roane, Tyler, Webster, Wetzell, Wirt, and Wood	Severe storms, flooding, and tornadoes	June 26-July 27, 1998
Wisconsin Counties of Buffalo, Clark, Crawford, Dunn, Grant, Jackson, La Crosse, Monroe, Pepin, Pierce, Richland, St. Croix, Trempealeau, and Vernon	Severe storms, straight-line winds, tornadoes, heavy rain, and flooding	June 18-30, 1998
Counties of Milwaukee, Racine, Rock, Sheboygan, and Waukesha	Severe storms and flooding	August 5-15, 1998