

U.S. GOVERNMENT PRINTING OFFICE

Washington, DC

GENERAL TERMS, CONDITIONS, AND SPECIFICATIONS

For the Procurement of

Internal Revenue Bulletin

as requisitioned from the U.S. Government Printing Office (GPO) by the

Department of the Treasury / Internal Revenue Service

Single Award

TERM OF CONTRACT: The term of this contract is for the period beginning September 1, 2013 and ending August 31, 2014, plus up to four (4) optional 12-month extension period(s) that may be added in accordance with the "OPTION TO EXTEND THE TERM OF THE CONTRACT" clause in SECTION 1 of this contract.

BID OPENING: Bids shall be publicly opened at 11:00 a.m., prevailing Washington, DC time, on August 28, 2013.

BID SUBMISSION: Submit bid in pre-addressed envelope furnished with solicitation or send to: U.S. Government Printing Office, Bid Section, Room C-161, Stop: PPSB, 732 North Capitol Street, NW, Washington, DC 20401. Facsimile bids in response to this solicitation are permitted. Facsimile bids may be submitted directly to the GPO Bid Section, Fax No. (202) 512-1782. The program number and bid opening date must be specified with the bid. Refer to Facsimile Bids in Solicitation Provisions of GPO Contract Terms, GPO Publication 310.2, as revised June 2001.

PRODUCTION AREA: It is assumed that all production facilities used in the manufacture of the product(s) ordered under this contract will be located within a 60-mile radius of zero milestone Washington, DC.

Any bidder intending to use production facilities outside this area should furnish information, with the bid which will, on its face, demonstrate ability to meet the schedule requirements. The determination by the Government of the acceptability of this information in no way relieves the successful bidder of the responsibility for compliance with these schedule requirements.

BIDDERS, PLEASE NOTE: These specifications have been **extensively** revised; therefore, all bidders are cautioned to familiarize themselves with all provisions of these specifications before bidding.

Abstracts of contract prices are available at: <http://www.gpo.gov/gpo/abstracts/abstract.action?region=Central>.

For information of a technical nature, call Keith Togans at (202) 512-0307. (No collect calls.) Email address ktogans@gpo.gov, fax number (202) 512-1612.

SECTION 1. – GENERAL TERMS AND CONDITIONS

GPO CONTRACT TERMS: Any contract which results from this Invitation for Bid will be subject to the applicable provisions, clauses, and supplemental specifications of GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 6-01)) and GPO Contract Terms, Quality Assurance Through Attributes Program for Printing and Binding (GPO Publication 310.1, effective May 1979 (revised August 2002)).

GPO Contract Terms (GPO Publication 310.2) – <http://www.gpo.gov/pdfs/vendors/sfas/terms.pdf>.

GPO QATAP (GPO Publication 310.1) – <http://www.gpo.gov/pdfs/vendors/sfas/qatap.pdf>.

DISPUTES: GPO Publication 310.2, GPO Contract Terms, Contract Clause 5. Disputes, is hereby replaced with the June 2008 clause found at <http://www.gpo.gov/pdfs/vendors/contractdisputes.pdf>. This June 2008 clause also cancels and supersedes any other disputes language currently included in existing contractual actions.

SUBCONTRACTING: The predominant production function of this contract is composition. Any bidder who must subcontract this operation will be declared non-responsible.

OPTION TO EXTEND THE TERM OF THE CONTRACT: The Government has the option to extend the term of this contract for a period of 12 months by written notice to the contractor not later than 30 days before the contract expires. If the Government exercises this option, the extended contract shall be considered to include this clause, except, the total duration of the contract may not exceed five (5) years as a result of, and including, any extension(s) added under this clause. Further extension may be negotiated under the “EXTENSION OF CONTRACT TERM” clause. See also “ECONOMIC PRICE ADJUSTMENT” for authorized pricing adjustment(s).

EXTENSION OF CONTRACT TERM: At the request of the Government, the term of any contract resulting from this solicitation may be extended for such period of time as may be mutually agreeable to the GPO and the contractor.

ECONOMIC PRICE ADJUSTMENT: The pricing under this contract shall be adjusted in accordance with this clause, provided that in no event will any pricing adjustment be made that would exceed the maximum permissible under any law in effect at the time of the adjustment. There will be no adjustment for orders placed during the first period specified below. Pricing will thereafter be eligible for adjustment during the second and any succeeding performance period(s). For each performance period after the first, a percentage figure will be calculated as described below and that figure will be the economic price adjustment for that entire next period. Pricing adjustments under this clause are not applicable to reimbursable postage or transportation costs, or to paper, if paper prices are subject to adjustment by separate clause elsewhere in this contract.

For the purpose of this clause, performance under this contract will be divided into successive periods. The first period will extend from September 1, 2013 to August 31, 2014, and the second and any succeeding period(s) will extend for 12 months from the end of the last preceding period, except that the length of the final period may vary. The first day of the second and any succeeding period(s) will be the effective date of the economic price adjustment for that period.

Pricing adjustments in accordance with this clause will be based on changes in the seasonally adjusted “Consumer Price Index For All Urban Consumers - Commodities Less Food” (Index) published monthly in the CPI Detailed Report by the U.S. Department of Labor, Bureau of Labor Statistics.

The economic price adjustment will be the percentage difference between Index averages as specified in this paragraph. An index called the variable index will be calculated by averaging the monthly Indexes from the 12-month interval ending three (3) months prior to the beginning of the period being considered for adjustment. This average is then compared to the average of the monthly Indexes for the 12-month interval ending May 31, 2013, called the base index. The percentage change (plus or minus) of the variable index from the base index will be the economic price adjustment for the period being considered for adjustment.

The Government will notify the contractor by contract modification specifying the percentage increase or decrease to be applied to invoices for orders placed during the period indicated. The contractor shall apply the percentage increase or decrease against the total price of the invoice less reimbursable postage or transportation costs and separately adjusted paper prices. Payment discounts shall be applied after the invoice price is adjusted.

ASSIGNMENT OF JACKETS, PURCHASE AND PRINT ORDERS: A GPO jacket number will be assigned and a purchase order issued to the contractor to cover work performed. The purchase order will be supplemented by an individual print order for each job placed with the contractor. The print order, when issued, will indicate the quantity to be produced and any other information pertinent to the particular order.

PREAWARD SURVEY: In order to determine the responsibility of the contractor, the Government reserves the right to conduct an on-site preaward survey at the contractor's facility or to require other evidence of technical, production, managerial, financial, and similar abilities to perform, prior to the award of a contract.

ORDERING: Items to be furnished under the contract shall be ordered by the issuance of print orders by the Government. Orders may be issued under the contract from September 1, 2013 through August 31, 2014 plus for such additional period(s) as the contract is extended. All print orders issued hereunder are subject to the terms and conditions of the contract. The contract shall control in the event of conflict with any print order. A print order shall be "issued," for purposes of the contract, when it is either deposited in the U.S. Postal Service mail or otherwise furnished to the contractor in conformance with the schedule.

REQUIREMENTS: This is a requirements contract for the items and for the period specified herein. Shipment/delivery of items or performance of work shall be made only as authorized by orders issued in accordance with the clause entitled "ORDERING." The quantities of items specified herein are estimates only, and are not purchased hereby. Except as may be otherwise provided in this contract, if the Government's requirements for the items set forth herein do not result in orders in the amounts or quantities described as "estimated," it shall not constitute the basis for an equitable price adjustment under this contract.

Except as otherwise provided in this contract, the Government shall order from the contractor all the items set forth which are required to be purchased by the Government activity identified on page 1.

The Government shall not be required to purchase from the contractor, requirements in excess of the limit on total orders under this contract, if any.

Orders issued during the effective period of this contract and not completed within that time shall be completed by the contractor within the time specified in the order, and the rights and obligations of the contractor and the Government respecting those orders shall be governed by the terms of this contract to the same extent as if completed during the effective period of this contract.

If shipment/delivery of any quantity of an item covered by the contract is required by reason of urgency prior to the earliest date that shipment/delivery may be specified under this contract, and if the contractor will not accept an order providing for the accelerated shipment/delivery, the Government may procure this requirement from another source.

The Government may issue orders which provide for shipment/delivery to or performance at multiple destinations.

Subject to any limitations elsewhere in this contract, the contractor shall furnish to the Government all items set forth herein which are called for by print orders issued in accordance with the "ORDERING" clause of this contract.

SECTION 2. – SPECIFICATIONS

SCOPE: These specifications cover the composition of weekly bulletins.

TITLE: Internal Revenue Bulletin.

FREQUENCY OF ORDERS: Approximately 52 orders per year.

NUMBER OF PAGES: Approximately 12 to 275 pages per order.

TRIM SIZE: 8-1/2 x 11”.

EXHIBITS: The facsimiles of sample pages shown as EXHIBITS A through E are representative of page makeup requirements which will be ordered under this contract. *However, it cannot be guaranteed that future orders will correspond exactly to these exhibits.*

GOVERNMENT TO FURNISH:

Manuscript copy of tabular matter and charts.

Electronic media will be furnished as follows –

Platform: Windows or Macintosh operating systems.

Storage Media: 3-1/2” disk, CD-ROM, file-sensitive e-mails.

Software: Microsoft Word 2002, XML template files and Arbortext Editor schemas, DTD and style sheets.

NOTE: All software upgrades (for specified applications) which may occur during the term of the contract, must be supported by the contractor.

Hardcopy of the furnished electronic files will be provided. Contractor is required to manipulate files (all type including text and tabular matter) and produce required proofs using furnished copy or electronic files and formatting instructions marked on the hard copy.

When directed by the ordering agency, the contractor may be required to make minor corrections to tracking, kerning, spacing, and/or leading to align copy and page elements. The contractor shall insert whatever typesetting command codes necessary for their particular equipment and produce required proofs using furnished copy or electronic files.

Identification markings such as register marks, commercial identification marks of any kind, etc., except GPO imprint, form number, and revision date, carried on copy or in electronic files, must not print on finished product.

CONTRACTOR TO FURNISH: All materials and operations, other than those listed under “GOVERNMENT TO FURNISH,” necessary to produce the product(s) in accordance with these specifications.

The contractor shall maintain the entire Weekly Bulletins masterfile to be furnished electronically in **IRS XML format and DocBook XML formatted file**, identifiable by bulletin number, and containing all updates. It may be furnished on a CD-R.

Additionally, contractor will maintain the master file in PDF file formatted on a CD-R and submit CD-R to IRS when requested.

Upon receipt of the topical index files for past IRS and the modified irb2docbook stylesheet, the contractor shall convert the IRB index files to DocBook based XML using the modified style sheet and do quality assurance checks to ensure that the output is properly compiled and formatted.

DISKS/CD-Rs: On each order, the contractor shall provide IRS with the entire masterfile data on 3-1/2" disks or a CD-R. The data shall be maintained in the word processor software designated by the Government. The data will be free of all typesetting codes and will be in the same format as was originally provided to the contractor (headings, flush left, paragraph indent levels, etc.). Disks/CD-R must contain all updates. The contractor must also provide an **IRS XML Format and a DocBook Format** on 3-1/2" disk/CD-R to IRS no later than two workdays after the "OK to Proceed."

One Portable Document File (PDF) of each weekly issue of the IRB, one file per issue. Each file should contain the Internal Revenue Bulletin (IRB) in its entirety and be furnished on 3-1/2" Windows formatted disk or a CD-R, or via an electronic File Transfer Protocol (FTP) or E-mail attachment. Electronic availability of the PDF is to be provided on the same day as the "OK to Proceed."

COMPOSITION: The entirety of each category of composition (text, tabular, and display) must be identical throughout the product(s) ordered under these specifications. Renumbering pages and table of contents may also be required. The composition of the cover page for these publications may be required.

Type Page Dimension (Weekly Bulletin): Image size will be 44 x 60 picas including folio. Two and three column makeup with 24 points of space between 2 columns and 12 points of space between 3 columns.

Typefaces and Sizes: The contractor is required to support the following fonts:

- Times Roman with small caps and italics, 8 and 10 point.
- News Gothic, 6 through 10 point.
- News Gothic Bold, 6 through 14 point.

No alternate typefaces will be allowed; however, manufacturer's generic equivalents will be accepted for the above typefaces. Each bidder shall list in the bid the name of the generic equivalent typeface(s) and composing machine to be used.

The GPO reserves the right to require samples of any generic equivalent typefaces offered if it is deemed necessary in order to determine the suitability of the offered typefaces. In addition, the successful bidder must provide the ordering agency with specimens or a complete listing of typefaces and sizes which are available for use under this contract.

PROOFS: Contractor must furnish one Adobe Acrobat PDF proof to the ordering agency. Proof will be transferred to the ordering agency via email.

PACKING: Insert each disc into a white paper sleeve with glassine window with disc title showing through window.

Pack suitably in shipping containers.

LABELING AND MARKING: Reproduce shipping container label from furnished repro, fill in appropriate blanks, and attach to shipping containers.

DISTRIBUTION: Deliver f.o.b. destination to one address within the commercial zone of Washington, DC.

Complete address will be furnished with each print order.

Upon completion of each order, all furnished material (if applicable) must be returned to the address furnished on the print order.

NOTE: Upon completion of each order, one copy of contractor's itemized billing invoice must be sent to the following address: U.S. Government Printing Office, Printing Procurement, Agency Publishing Service, Attn: Keith Togans, Stop CSAPS, Room C-817, 732 North Capitol Street, NW, Washington, DC 20401. Contractor must also submit one copy of their itemized billing invoice to IRS, (designated IRS analyst), concurrently with billing GPO.

Upon completion of each order, contractor must notify the ordering agency (on the same day the order delivers) via email to the address indicated on the print order. The subject line of the email shall be "Distribution Notice for Program 778-S, Print Order XXXXX, Jacket Number XXX-XXX." The notice must provide all applicable tracking numbers, delivery method, and title of publication. Contractor must be able to provide copies of all delivery receipts upon agency request.

All expenses incidental to picking up and returning furnished material (if applicable), submitting proofs, and furnishing sample copies must be borne by the contractor.

SCHEDULE: Adherence to these schedules must be maintained. Contractor must not start production of any job prior to receipt of the individual print order (GPO Form 2511).

Furnished material (if applicable) must be picked up from and delivered to: Internal Revenue Service (T:M:PS:M), Room 1549, 1111 Constitution Avenue, NW, Washington, DC 20224, Attn: (designated IRS analyst).

Furnished material will be sent via disk, CD-ROM, email, or manuscript copy either on Tuesday or Wednesday by 4:00 p.m.

Contractor must e-mail PDF proof (up to 96 pages) by 4:30 p.m. of the third workday after the availability of print order and furnished material. One additional workday will be allowed for each additional 48 pages, or fraction thereof. Deliveries occurring after 4:30 p.m. will be considered late.

When the estimated page count exceeds 100 pages, the Government may opt to send the manuscript copy to the contractor in increments. The first increment of manuscript copy will be sent with the print order, with a second increment of manuscript copy, disk and CDS following at a later date. The schedule will be adjusted as follows:

First increment: Contractor must e-mail PDF proof (up to 96 pages) by 4:30 p.m. of the third workday after the availability of print order and furnished manuscript copy. One additional workday will be allowed for each additional 48 pages, or fraction thereof.

Second increment: Contractor must e-mail PDF proof (up to 48 pages) by 4:30 p.m. of the workday after the receipt of furnished manuscript copy and disk(s). One additional workday will be allowed for each additional 48 pages, or fraction thereof.

Contractor will receive the returning PDF proof via e-mail by 12:00 noon on the second workday following the delivery of the PDF proof.

Contractor must fax or e-mail page corrections to the designated originator for review by 11:00 a.m. of the workday following the contractor's receipt of the corrected PDF proof. Minor author's alterations and/or contractor corrections shall be made and returned by fax to the originator by 12:00 noon of the same day prior to "OK to Proceed."

Contractor must deliver Weekly Bulletins (up to 96 pages) by 12 noon of the third workday after the "OK to Proceed." Weekly Bulletins over 96 pages must deliver by 12 noon of the fourth workday.

Contractor must deliver the Portable Document File (PDF) on the same day of the "OK to Proceed."

Contractor must deliver the IRS XML and the DocBook files no later than 2 workdays after the "OK to Proceed." Contractor may place both files on the same disk/CD-R.

The ship/deliver date indicated on the print order is the date products ordered for delivery f.o.b. destination must be delivered to the destination(s) specified.

Unscheduled material such as shipping documents, receipts or instructions, delivery lists, labels, etc., will be furnished with each order or shortly thereafter. In the event such information is not received in due time, the contractor will not be relieved of any responsibility in meeting the shipping schedule because of failure to request such information.

For compliance reporting purposes, the contractor is to notify the U.S. Government Printing Office of the date of shipment or delivery. Upon completion of each order, contractor must contact the Shared Support Services Compliance Section via email at compliance@gpo.gov; via telephone at (202) 512-0520; or via facsimile at (202) 512-1364. Personnel receiving email, call, or facsimile will be unable to respond to questions of a technical nature or to transfer any inquiries.

SECTION 3. – DETERMINATION OF AWARD

The Government will determine the lowest bid by applying the prices offered in the “SCHEDULE OF PRICES” to the following units of production which are the estimated requirements to produce one year’s production under this contract. These units do not constitute, nor are they to be construed as, a guarantee of the volume of work which may be ordered for a like number of issues.

The following item designations correspond to those listed in the “SCHEDULE OF PRICES.”

I.	(a)	4,550
	(b)	4,860
	(c)	276
	(d)(1)	1,108
	(2)	182
	(3)	96
	(e)	99
	(f)	12
	(g)	1,136
	(h)	24
	(i)	270

SECTION 4. – SCHEDULE OF PRICES

Bids offered are f.o.b. destination.

Prices must include the cost of all required materials and operations for each item listed in accordance with these specifications.

Bidder must make an entry in each of the spaces provided. Bids submitted with any obliteration, revision, or alteration of the order and manner of submitting bids may be declared nonresponsive.

An entry of NC (No Charge) shall be entered if bidder intends to furnish individual items at no charge to the Government.

Bids submitted with NB (No Bid) or blank spaces for an item may be declared nonresponsive.

The Contracting Officer reserves the right to reject any offer that contains prices for individual items of production (whether or not such items are included in the DETERMINATION OF AWARD) that are inconsistent or unrealistic in regard to other prices in the same offer or to GPO prices for the same operation if such action would be in the best interest of the Government.

Fractional parts of 1,000 will be prorated at the per-1,000 rate.

I. COMPOSITION:

- (a) Converting supplied Word documents to XML templates per 1,000 characters \$ _____
- (b) Inserting XML tags, attributes and processing instructions to text per 1,000 characters \$ _____
- (c) Inserting XML tags, attributes and processing instructions to tabular matter per 1,000 characters \$ _____
- (d) Authors alterations (Minimum charge per each submission of proofs shall be \$10.00):
 - (1) Text matter..... per line \$ _____
 - (2) Tabular matter..... per column line \$ _____
 - (3) Page remake from previous bulletins..... per page \$ _____
- (e) Line per illustration..... \$ _____
- (f) Square-finish halftone per illustration..... \$ _____
- (g) Portable Document File (PDF)..... per page \$ _____
- (h) DocBook XML..... per file..... \$ _____
- (i) IRS XML..... per file..... \$ _____

(Initials)

TYPEFACES: If manufacturer's generic equivalent typefaces are proposed, the bidder must list on the line of the same number as the preferred typeface, the name of the equivalent typeface and composing machine to be used.

Preferred Typefaces:

1. Times Roman with small caps and italics
2. News Gothic
3. News Gothic Bold

Manufacturer's Generic Equivalent Typefaces	Name of Composing Machine
1. _____	_____
2. _____	_____
3. _____	_____

My production facilities are located within the assumed area of production yes no

NOTICE: Bidders OUTSIDE the assumed production area specified on page one of these specifications should complete the following information.

1. Proposed carrier(s) for pickup of Government Furnished Material _____
 - a. Number of hours from acceptance of print order to pickup of Government Furnished Material..... _____
 - b. Number of hours from pickup of Government Furnished Material to delivery at contractor's plant..... _____
2. Proposed carrier(s) for delivery of completed product _____
 - a. Number of hours from notification to carrier to pickup of completed product _____
 - b. Number of hours from pickup of completed product to delivery at destination _____

INSTRUCTIONS FOR BID SUBMISSION: Fill out "SECTION 4. – SCHEDULE OF PRICES," initialing or signing each page in the space(s) provided. Submit two copies (original and one exact duplicate) of the "SCHEDULE OF PRICES" with two copies of the GPO Form 910 "BID" form. Do not enter bid prices on GPO Form 910; prices entered in the "SCHEDULE OF PRICES" will prevail.

Bidder _____

(City - State)

By _____
(Signature and title of person authorized to sign this bid)

(Person to be contacted)

(Telephone Number)

Internal Revenue bulletin

EXHIBIT A

Bulletin No. 1998-11
March 16, 1998

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

INCOME TAX

Rev. Rul. 98-13, page 4.

Low-income housing credit; satisfactory bond; "bond factor" amounts for the period January through March 1998. This ruling announces the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period January through March 1998.

Rev. Rul. 98-14, page 4.

Fringe benefits aircraft valuation formula. For purposes of section 1.61-21(g) of the Income Tax Regulations, relating to the rule for valuing noncommercial flights on employer-provided aircraft, the Standard Industry Fare Level (SIFL) cents-per-mile rates and terminal charge in effect for the first half of 1998 are set forth.

EMPLOYEE PLANS

REG-209485-86, page 21.

Proposed regulations under section 4980B of the Code provide guidance on certain changes made by the Health Insurance Portability and Accountability Act of 1996, the Omnibus Budget Reconciliation Act of 1989, and the Technical and Miscellaneous Revenue Act of 1988 relating to the continuation coverage requirements applicable to group health plans.

EXEMPT ORGANIZATIONS

Announcement 98-21, page 26.

A list is given of organizations now classified as private foundations.

EMPLOYMENT TAX

REG-104691-97, page 13.

Proposed regulations under section 6053 of the Code permit employers to establish electronic systems for their tipped employees to use to report tips to the employer.

Finding Lists begin on page 29.

EXCISE TAX

PS-158-86, page 13.

The proposed regulation under section 4611 of the Code relating to the petroleum tax imposed on natural gasoline is withdrawn.

ADMINISTRATIVE

Rev. Proc. 98-25, page 7.

Books and records; automatic data processing system. This procedure specifies the basic requirements that the Service considers to be essential in cases where a taxpayer's records are maintained within an Automatic Data Processing (ADP) system. Rev. Proc. 91-59 updated and superseded.

Notice 98-17, page 6.

This notice provides simplified rules under section 6038B of the Code, as amended by the Taxpayer Relief Act of 1997, on how U.S. persons should report transfers of property to foreign partnerships made between August 5, 1997, and January 1, 1998. Taxpayers may also apply the simplified rules of this notice to transfers to foreign partnerships made after August 20, 1996, and subject to the reporting requirements of section 1494(c) of the Code, so that the penalties under that section will not apply.

REG-209276-87, page 18.

Proposed regulations under section 6404 of the Code relate to the abatement of interest attributable to unreasonable errors or delays by an officer or employee of the IRS in performing a ministerial or managerial act.

Announcement 98-20, page 25.

This announcement informs all payers/transmitters, who file information returns magnetically or electronically with the IRS Martinsburg Computing Center, of a change in the record format for tax year 1998 returns filed in calendar year 1999.



Department of the Treasury
Internal Revenue Service

EXHIBIT B

Part III. Administrative, Procedural, and Miscellaneous

Contributions to Foreign Partnerships Under Section 6038B

Notice 98-17

This Notice provides simplified rules (pending the issuance of regulations) for reporting the transfer of property by U.S. persons to foreign partnerships under section 6038B of the Internal Revenue Code (the Code), as amended by the Taxpayer Relief Act of 1997 (the 1997 Act). The Notice applies to transfers made after August 5, 1997 and before January 1, 1998. Taxpayers may also apply the simplified rules of this Notice to transfers to foreign partnerships made after August 20, 1996 and subject to the reporting requirements of section 1494(c), so that the penalties under that section shall not apply.

SECTION 1. BACKGROUND

A. Sections 1491-1494

Before its repeal, section 1491 imposed a 35 percent excise tax on a transfer of property ("section 1491 transfer") by a U.S. person to a foreign partnership (unless section 1492 applied). The excise tax was 35 percent of the excess of the fair market value of the property transferred over its adjusted basis plus any gain recognized to the transferor upon the transfer.

In 1996, section 1494(c) was enacted, adding a penalty (even if no excise tax was due) for failure to file a return reporting a section 1491 transfer made after August 20, 1996. Sections 1491-1494 were repealed by the 1997 Act, effective August 5, 1997.

B. Notices 97-18 and 97-42

Notice 97-18, 1997-10 I.R.B. 35, issued after enactment of section 1494(c) and before its repeal, excluded certain section 1491 transfers from the reporting requirement and provided that no penalty would be imposed under section 1494(c) with respect to a section 1491 transfer if a Form 926 reporting such transfer was filed by the date specified in that notice.

Notice 97-42, 1997-29 I.R.B. 12, also issued after enactment of section 1494(c) and before its repeal, extended the due date for filing Form 926 to report section

1491 transfers made during the taxable year that included August 20, 1996, to the due date (including extensions) of the transferor's timely-filed income tax return or information return for the first taxable year beginning on or after January 1, 1997.

C. Section 6038B as amended by the 1997 Act

The 1997 Act amended section 6038B to require that certain transfers by U.S. persons to foreign partnerships be subject to reporting under section 6038B. These transfers are contributions described in section 721 ("section 721 contributions") and any other contributions described in regulations. Under section 6038B(b)(1), this reporting is required only if: 1) the transferor holds (immediately after the transfer) directly or indirectly at least a 10 percent interest in the partnership, or 2) the fair market value of the property transferred (alone, or aggregated with certain other section 721 contributions) exceeds \$100,000.

SECTION 2. SECTION 6038B REPORTING FOR TRANSFERS MADE AFTER AUGUST 5, 1997 AND BEFORE JANUARY 1, 1998

Section 721 contributions to foreign partnerships made after August 5, 1997 and before January 1, 1998 and required to be reported under section 6038B shall be reported by the filing of Form 926 with Part I of the form completed and the information required in this Section 2 attached. Form 926 and its attachments must be filed with the transferor's tax return or information return for the taxable year that includes the date of transfer. The notation "Filed under Notice 98-17" should be marked at the top of the form.

A U.S. person that contributes to a foreign partnership appreciated property subject to the allocation rules of section 704(c) (property with built-in gain), or any intangible property, in a transfer subject to section 6038B, must separately identify the property (except to the extent that the property is permitted to be aggregated in making allocations under section 704(c)). A U.S. person that contributes built-in gain property must also indicate the foreign partnership's method of allo-

cating the built-in gain under section 704(c).

The value of other contributed property must be aggregated by category on a statement attached to Form 926 (with, in each case, a brief description of the property). The categories are:

- (1) Stock in trade of the transferor (inventory);
- (2) Tangible property (other than stock in trade) used in a trade or business of the transferor;
- (3) Cash, stock, notes receivable and payable, and other securities; and,
- (4) Other property.

Until further notice, taxpayers transferring property to partnerships will be required to report under section 6038B only section 721 contributions. Any guidance exercising the authority to require the reporting of other contributions will be prospective only. Additionally, Section 761(a) allows certain organizations that would otherwise be treated as partnerships to elect not to be treated as partnerships for purposes of subchapter K of the Code. Until further notice, any transfer to a foreign partnership with a valid section 761(a) election in effect will not be required to be reported under section 6038B.

SECTION 3. RELIEF FROM SECTION 1494 REPORTING

Section 1144(d)(2) of the 1997 Act provides that the section 1494(c) penalty will not apply to any transfers which would otherwise be subject to the penalty, if taxpayers comply with the reporting requirements of amended section 6038B or such simplified reporting requirements as the Secretary may prescribe. In order to avoid any section 1494(c) penalty which otherwise would apply in respect of transfers to foreign partnerships, taxpayers need only comply with the simplified reporting requirements provided in Section 2, above. Furthermore, section 721 contributions need only be reported by taxpayers described in section 6038B(b)(1).

A transfer to a foreign partnership may consist solely of property which would not be required to be reported under section 6038B and this Notice, but which is required to be reported under section

EXHIBIT C

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it ap-

plies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in law or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Dorothy.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.

E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contribution Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign Corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.

PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statements of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

EXHIBIT D
Last Page of Weekly Bulletin with IRS Return Address

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