

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

Notice 2001-60, page 304.

This notice provides information about a closing agreement program for tax-exempt bonds (TEB VCAP). TEB VCAP provides a mechanism whereby issuers of tax-exempt bonds who come forward on a voluntary basis can resolve violations of the Code by entering into closing agreements with the Service. Comments are requested on TEB VCAP and on how the Service can expand its efforts to encourage compliance with the Code.

EXEMPT ORGANIZATIONS

Announcement 2001-97, page 310.

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

ADMINISTRATIVE

Notice 2001-60, page 304.

This notice provides information about a closing agreement program for tax-exempt bonds (TEB VCAP). TEB VCAP provides a mechanism whereby issuers of tax-exempt bonds who come forward on a voluntary basis can resolve violations of the Code by entering into closing agreements with the Service. Comments are requested on TEB VCAP and on how the Service can expand its efforts to encourage compliance with the Code.

Notice 2001-61, page 305.

This notice provides tax relief under sections 6081, 6161, and 7508A of the Code for taxpayers affected by the September 11, 2001, terrorist attack, which included the destruction of the two World Trade Center towers and other buildings in the World Trade Center complex, damage to the Pentagon, and the airplane crash in Pennsylvania on Tuesday, September 11, 2001.

Notice 2001-62, page 307.

Timely filing or payment; private delivery services. An updated list of designated private delivery services (PDSs) is provided for purposes of section 7502 of the Code. Two new delivery services are added to the list. This notice also provides a new address for a PDS to use to submit its application for designation. The new address will also be used to request administrative review of a letter of denial of designation, appeal a letter confirming the denial of designation, provide written notification of any change in application information, and appeal a proposed revocation letter. Rev. Proc. 97-19 modified. Notice 99-41 modified and superseded.

Notice 2001-63, page 308.

This notice provides additional tax relief under sections 6081, 6161, and 7508A of the Code for taxpayers, regardless of their location, on account of events related to the September 11, 2001, terrorist attack.

Rev. Proc. 2001-48, page 308.

This procedure provides the domestic asset/liability percentages and domestic investment yield percentages needed by foreign companies conducting insurance business in the United States to compute their minimum effectively connected net investment income.

Finding Lists begin on page ii.
Index for July through September begins on page iv.



~~6 of Rev. Proc. 97-19 are no longer correct. Section 6 of Rev. Proc. 97-19 is modified to provide that a PDS may now submit its written application by mailing it to:~~

~~Internal Revenue Service
Attn: Director, Submission Processing
W:CAS:SP
New Carrollton Federal Building
5000 Ellin Road
Lanham, MD 20706~~

~~Applications will no longer be accepted by hand delivery at the Courier's Desk located at 1111 Constitution Avenue, N.W. The above address is also where a PDS may write to: (1) obtain administrative review of a letter of denial of designation under section 9.03 of Rev. Proc. 97-19; (2) appeal a letter confirming the denial of designation under section 9.06 of Rev. Proc. 97-19; (3) provide prompt written notification to the IRS of any change in application information under section 10.01 of Rev. Proc. 97-19; and (4) appeal the issuance of a proposed revocation letter under section 12.03 of Rev. Proc. 97-19.~~

~~EFFECT ON OTHER DOCUMENTS~~

~~Revenue Procedure 97-19 is modified. Notice 99-41 is modified and, as so modified, is superseded.~~

~~EFFECTIVE DATE~~

~~This notice is effective on September 1, 2001.~~

~~FOR FURTHER INFORMATION~~

~~The principal author of this notice is Charles A. Hall of the Office of Associate Chief Counsel, Procedure and Administration (Administrative Provisions and Judicial Practice Division). For further information regarding this notice, contact Charles A. Hall at (202) 622-4940 (not a toll-free call).~~

Additional Disaster Relief for Taxpayers on Account of the September 11, 2001, Terrorist Attack

Notice 2001-63

The Treasury Department and the Internal Revenue Service recognize that the continuing disruption to the nation's financial

markets, transportation system, and telecommunication and computer networks, and continuing security concerns have made it difficult for many taxpayers to meet their September 17, 2001, filing and payment requirements, and for their representatives to assist them in doing so. This notice provides additional tax relief under sections 6081, 6161, and 7508A for taxpayers who, regardless of their location, are continuing to experience difficulties in meeting their filing and tax payment requirements on account of events related to the September 11, 2001, terrorist attack. The Internal Revenue Service has determined that the due date for all federal tax obligations falling between September 10, 2001, and September 24, 2001, is postponed to September 24, 2001. This postponement of time covers the filing of returns and claims for refund, the payment of tax (including estimated tax payments), making elections, and filing any other federal tax documents. The postponement does not apply to deposits of federal taxes. For relief with respect to deposits of federal taxes, see Notice 2001-61 on page 305 of this Bulletin and IRS News Release IR-2001-79.

The relief provided by this notice is in addition to the relief provided in Notice 2001-61 and IRS News Release IR-2001-79.

DRAFTING INFORMATION

The principal author of this notice is Charles Hall of the Office of Associate Chief Counsel, Procedure and Administration (Administrative Provisions and Judicial Practice Division). For further information regarding this notice, you may call (202) 622-4940 (not a toll-free call).

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.

Rev. Proc. 2001-48

SECTION 1. PURPOSE

~~This revenue procedure provides the domestic asset/liability percentages and domestic investment yields needed by foreign life insurance companies and foreign property and liability insurance companies to compute their minimum effectively connected net investment income under section 842(b) of the Internal Revenue Code for taxable years beginning after December 31,~~

~~1999. Instructions are provided for computing foreign insurance companies' liabilities for the estimated tax and installment payments of estimated tax for taxable years beginning after December 31, 1999. For more specific guidance regarding the computation of the amount of net investment income to be included by a foreign insurance company on its U.S. income tax return, see Notice 89-96 (1989-2 C.B. 417). For the domestic asset/liability percentage and domestic investment yield, as well as instructions for computing foreign insurance companies' liabilities for estimated tax and installment payments of estimated tax for taxable years beginning after December 31, 1998, see Rev. Proc. 2000-32 (2000-33 I.R.B. 172).~~

SECTION 2. CHANGES

~~.01 DOMESTIC ASSET/LIABILITY PERCENTAGES FOR 2000. The Secretary determines the domestic asset/liability percentage separately for life insurance companies and property and liability insurance companies. For the first taxable year beginning after December 31, 1999, the relevant domestic asset/liability percentages are:~~

~~114.2 percent for foreign life insurance companies, and~~

~~201.6 percent for foreign property and liability insurance companies.~~

~~.02 DOMESTIC INVESTMENT YIELDS FOR 2000. The Secretary is required to prescribe separate domestic investment yields for foreign life insurance companies and for foreign property and liability insurance companies. For the first taxable year beginning after December 31, 1999, the relevant domestic investment yields are:~~

~~8.2 percent for foreign life insurance companies, and~~

~~5.6 percent for foreign property and liability insurance companies.~~

~~.03 SOURCE OF DATA FOR 2000. The section 842(b) percentages to be used for the 2000 tax year are based on tax return data following the same methodology used for the 1999 year.~~

SECTION 3. APPLICATION — ESTIMATED TAXES

~~To compute estimated tax and the installment payments of estimated tax due~~