Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.602: Tax forms and instructions.
(Also Part I, §§ 1, 23, 24, 25A, 32, 42, 59, 62, 63, 132, 135, 137, 146, 147, 148, 151, 170, 179, 213, 220, 221, 512, 513, 877, 877A, 911, 2032A, 2503, 2523, 4161, 6033, 6039F, 6323, 6334, 6601, 7430, 7702B; 1.148-3, 1.148-5.)

Rev. Proc. 2009-50

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SECTION 1. PURPOSE

This revenue procedure sets forth inflation adjusted items for 2010.

SECTION 2. CHANGES

.01 Section 1003 of the American Recovery and Reinvestment Tax Act of 2009, Tit. I of Div. B of Pub. L. No. 111-5, 123 Stat. 155 (ARRTA), amended § 24(d)(4) of the

Internal Revenue Code to provide a temporary increase in the refundable portion of the child tax credit. Under § 24(d)(1)(B)(i), a taxpayer is allowed a refundable credit equal to 15 percent of earned income in excess of $10,000, adjusted annually for inflation. Section 24(d)(4) provides that, for taxable years beginning in 2009 or 2010, the dollar amount in effect under § 24(d)(1)(B)(i) is $3,000. (See section 3.04 of this revenue procedure.)

.02 Section 1004 of ARRTA added to the Code new § 25A(i) (the American Opportunity Tax Credit) to provide temporary increases in the amount of the Hope Scholarship Credit and the threshold phaseout amounts for the credit. Section 25A(i)(1) provides that, for taxable years beginning in 2009 or 2010, the American Opportunity Tax Credit is equal to 100 percent of the amount of qualified tuition and related expenses not in excess of $2,000, plus 25 percent of those expenses that exceed $2,000 but do not exceed $4,000. Section 25A(i)(4) provides that, for taxable years beginning in 2009 or 2010, the amount of the American Opportunity Tax Credit begins to phase out for taxpayers whose modified adjusted gross income exceeds $80,000 ($160,000 for married taxpayers filing a joint return). The credit is completely phased out at $90,000 ($180,000 for married taxpayers filing a joint return). (See section 3.05 of this revenue procedure.)

.03 Section 1002 of ARRTA added § 32(b)(3) to the Code to provide a temporary increase in the earned income credit for certain taxpayers. Under § 32(b)(3)(A), for taxable years beginning in 2009 or 2010, the maximum amount of the earned income credit for taxpayers with three or more qualifying children is 45 percent of the earned income amount for the taxable year. For taxable years beginning in 2009, under § 32(b)(3)(B)(i) the amount added to the threshold phaseout amounts and the completed phaseout amounts for married taxpayers filing joint returns is $5,000. For taxable years beginning in 2010, the $5,000 amount under § 32(b)(3)(B)(i) is adjusted for inflation. (See section 3.06 of this revenue procedure.)

.04 Section 3003 of the Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289, 122 Stat. 2654 (HERA), amended § 42(e)(3) of the Code to increase the per low-income unit qualified basis amount under § 42(e)(3)(A)(ii)(II) to $6,000 for rehabilitation expenditures to qualify for treatment as a separate new building for the low-income housing credit. For calendar years beginning in 2010, the $6,000 amount under § 42(e)(3)(A)(ii)(II) is, pursuant to § 42(e)(3)(D), adjusted for inflation. (See section 3.07 of this revenue procedure.)

.05 Section 3001 of HERA added § 42(h)(3)(I) to the Code to provide for temporary increases in certain amounts used to calculate the State housing credit ceiling under § 42(h)(3)(C)(ii)(I) and (II), after any adjustments for inflation to those amounts under § 42(h)(3)(H). The temporary increases apply only to calendar years 2008 and 2009. Accordingly, for calendar years after 2009, the inflation adjusted amounts under § 42(h)(3)(C)(ii)(I) and (II) are determined without the temporary increases. (See section 3.08 of this revenue procedure.)

.06 The overall limitation on itemized deductions under § 68 does not apply to any taxable year beginning after December 31, 2009, and before January 1, 2011. Accordingly, the overall limitation on itemized deductions is not included in this revenue procedure.

.07 Section 1151 of ARRTA amended § 132(f)(2) of the Code to provide a temporary increase in the amount excludable from gross income for certain employer-provided transportation fringe benefits. For months beginning after February 17, 2009, and before January 1, 2011, the monthly limitation under § 132(f)(2)(A) for transportation in a commuter highway vehicle and any transit pass is the same as the amount in effect under § 132(f)(2)(B) for qualified parking. (See section 3.12 of this revenue procedure.)

.08 The phaseout of the personal exemption amount under § 151(d)(3) does not apply to any taxable year beginning after December 31, 2009, and before January 1, 2011. Accordingly, the exemption amount for taxpayers with adjusted gross income in excess of the maximum phaseout amount and the maximum adjusted gross income phaseout amounts are not included in this revenue procedure.

.09 Section 1202 of ARRTA amended § 179(b)(7) of the Code to extend to taxable years beginning in 2009 the temporary increases to the dollar limitations under § 179(b)(1) and (2) that applied to taxable years beginning in 2008. Because the temporary increases do not apply to taxable years beginning after December 31, 2009, the dollar limitations under § 179(b)(1) and (2) provided in this revenue procedure are determined without regard to § 179(b)(7). (See section 3.20 of this revenue procedure.)

.10 The passenger air transportation excise taxes imposed under § 4261(b) and (c), as extended by § 2(b)(1) of the Fiscal Year 2010 Federal Aviation Administration Extension Act , Pub. L. No. 111-69, 123 Stat. 2054 (2009), apply to transportation taken through December 31, 2009, and to amounts paid on or before December 31, 2009, for transportation beginning after that date. Accordingly, the amounts in § 4261(b) and (c) are not included in this revenue procedure.

SECTION 3. 2010 ADJUSTED ITEMS

.01 Tax Rate Tables. For taxable years beginning in 2010, the tax rate tables under § 1 are as follows:

TABLE 1 - Section 1(a) - Married Individuals Filing Joint Returns and Surviving Spouses

If Taxable Income Is:	The Tax Is:
Not over $16,750	10% of the taxable income
Over $16,750 but not over $68,000	$1,675 plus 15% of the excess over $16,750
Over $68,000 but not over $137,300	$9,362.50 plus 25% of the excess over $68,000
Over $137,300 but not over $209,250	$26,687.50 plus 28% of the excess over $137,300
Over $209,250 but not over $373,650	$46,833.50 plus 33% of the excess over $209,250
Over $373,650	$101,085.50 plus 35% of the excess over $373,650

TABLE 2 - Section 1(b) – Heads of Households

If Taxable Income Is:	The Tax Is:
Not over $11,950	10% of the taxable income
Over $11,950 but not over $45,550	$1,195 plus 15% of the excess over $11,950
Over $45,550 but not over $117,650	$6,235 plus 25% of the excess over $45,550

Over $117,650 but not over $190,550	$24,260 plus 28% of the excess over $117,650
Over $190,550 but not over $373,650	$44,672 plus 33% of the excess over $190,550
Over $373,650	$105,095 plus 35% of the excess over $373,650

TABLE 3 - Section 1(c) – Unmarried Individuals (other than Surviving Spouses and Heads of Households)

If Taxable Income Is:	The Tax Is:
Not over $8,375	10% of the taxable income
Over $8,375 but not over $34,000	$837.50 plus 15% of the excess over $8,375
Over $34,000 but not over $82,400	$4,681.25 plus 25% of the excess over $34,000
Over $82,400 but not over $171,850	$16,781.25 plus 28% of the excess over $82,400
Over $171,850 but not over $373,650	$41,827.25 plus 33% of the excess over $171,850
Over $373,650	$108,421.25 plus 35% of the excess over $373,650

TABLE 4 - Section 1(d) – Married Individuals Filing Separate Returns

If Taxable Income Is:	The Tax Is:
Not over $8,375	10% of the taxable income
Over $8,375 but not over $34,000	$837.50 plus 15% of the excess over $8,375
Over $34,000 but not over $68,650	$4,681.25 plus 25% of the excess over $34,000
Over $68,650 but	$13,343.75 plus 28% of

not over $104,625	the excess over $68,650
Over $104,625 but not over $186,825	$23,416.75 plus 33% of the excess over $104,625
Over $186,825	$50,542.75 plus 35% of the excess over $186,825

TABLE 5 - Section 1(e) – Estates and Trusts

If Taxable Income Is:	The Tax Is:
Not over $2,300	15% of the taxable income
Over $2,300 but not over $5,350	$345 plus 25% of the excess over $2,300
Over $5,350 but not over $8,200	$1,107.50 plus 28% of the excess over $5,350
Over $8,200 but not over $11,200	$1,905.50 plus 33% of the excess over $8,200
Over $11,200	$2,895.50 plus 35% of the excess over $11,200

.02 Unearned Income of Minor Children Taxed as if Parent's Income (the "Kiddie Tax"). For taxable years beginning in 2010, the amount in § 1(g)(4)(A)(ii)(I), which is used to reduce the net unearned income reported on the child's return that is subject to the "kiddie tax," is $950. This amount is the same as the $950 standard deduction amount provided in section 3.11(2) of this revenue procedure. The same $950 amount is used for purposes of § 1(g)(7) (that is, to determine whether a parent may elect to include a child's gross income in the parent's gross income and to calculate the "kiddie tax"). For example, one of the requirements for the parental election is that a child's gross income is more than the amount referenced in § 1(g)(4)(A)(ii)(I) but less than 10 times that amount; thus, a child's gross income for 2009 must be more than $950 but less than $9,500.

.03 Adoption Credit. For taxable years beginning in 2010, under § 23(a)(3) the credit allowed for an adoption of a child with special needs is $12,170. For taxable years beginning in 2010, under § 23(b)(1) the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to $12,170. The available adoption credit begins to phase out under § 23(b)(2)(A) for taxpayers with modified adjusted gross income in excess of $182,520 and is completely phased out for taxpayers with modified adjusted gross income of $222,520 or more. (See section 3.14 of this revenue procedure for the adjusted items relating to adoption assistance programs.)

.04 Child Tax Credit. For taxable years beginning in 2010, the value used in § 24(d)(1)(B)(i) to determine the amount of credit under § 24 that may be refundable is $3,000.

.05 Hope Scholarship, American Opportunity, and Lifetime Learning Credits.

(1) For taxable years beginning in 2010, the Hope Scholarship Credit under § 25A(b)(1), as increased under § 25A(i) (the American Opportunity Tax Credit), is an amount equal to 100 percent of qualified tuition and related expenses not in excess of $2,000, plus 25 percent of those expenses that exceed $2,000 but do not exceed $4,000. Accordingly, the maximum Hope Scholarship Credit allowable under § 25A(b)(1) for taxable years beginning in 2010 is $2,500.

(2) For taxable years beginning in 2010, a taxpayer's modified adjusted gross income in excess of $80,000 ($160,000 for a joint return) is used to determine the

reduction under § 25A(d)(2) in the amount of the Hope Scholarship Credit otherwise allowable under § 25A(a)(1). For taxable years beginning in 2010, a taxpayer's modified adjusted gross income in excess of $50,000 ($100,000 for a joint return) is used to determine the reduction under § 25A(d)(2) in the amount of the Lifetime Learning Credit otherwise allowable under § 25A(a)(2).

.06 Earned Income Credit.

(1) In general. For taxable years beginning in 2010, the following amounts are used to determine the earned income credit under § 32(b). The "earned income amount" is the amount of earned income at or above which the maximum amount of the earned income credit is allowed. The "threshold phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) above which the maximum amount of the credit begins to phase out. The "completed phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) at or above which no credit is allowed. The threshold phaseout amounts and the completed phaseout amounts shown in the table below for married taxpayers filing a joint return include the increase provided in § 32(b)(3)(B)(i), as adjusted for inflation for taxable years beginning in 2010.

	Number of Qualifying Children			
Item	One	Two	Three or More	None
Earned Income Amount	$8,970	$12,590	$12,590	$5,980
Maximum Amount of Credit	$3,050	$5,036	$5,666	$457
Threshold Phaseout Amount (Single,	$16,450	$16,450	$16,450	$7,480

Surviving Spouse, or Head of Household)				
Completed Phaseout Amount (Single, Surviving Spouse, or Head of Household)	$35,535	$40,363	$43,352	$13,460
Threshold Phaseout Amount (Married Filing Jointly)	$21,460	$21,460	$21,460	$12,490
Completed Phaseout Amount (Married Filing Jointly)	$40,545	$45,373	$48,362	$18,470

The instructions for the Form 1040 series provide tables showing the amount of the earned income credit for each type of taxpayer.

(2) Excessive investment income. For taxable years beginning in 2010, the earned income tax credit is not allowed under § 32(i) if the aggregate amount of certain investment income exceeds $3,100.

.07 Rehabilitation Expenditures Treated as Separate New Property. For calendar year 2010, the per low-income unit qualified basis amount under § 42(e)(3)(A)(ii)(II) is $6,000.

.08 Low-Income Housing Credit. For calendar year 2010, the amount used under § 42(h)(3)(C)(ii) to calculate the State housing credit ceiling for the low-income housing credit is the greater of (1) $2.10 multiplied by the State population, or (2) $2,430,000.

.09 Alternative Minimum Tax Exemption for a Child Subject to the "Kiddie Tax." For taxable years beginning in 2010, for a child to whom the § 1(g) "kiddie tax" applies, the exemption amount under §§ 55 and 59(j) for purposes of the alternative minimum tax under § 55 may not exceed the sum of (1) the child's earned income for the taxable year, plus (2) $6,700.

.10 Transportation Mainline Pipeline Construction Industry Optional Expense Substantiation Rules for Payments to Employees under Accountable Plans. For calendar year 2010, an eligible employer may pay certain welders and heavy equipment mechanics an amount of up to $16 per hour for rig-related expenses that is deemed substantiated under an accountable plan if paid in accordance with Rev. Proc. 2002-41, 2002-1 C.B. 1098. If the employer provides fuel or otherwise reimburses fuel expenses, up to $10 per hour is deemed substantiated if paid under Rev. Proc. 2002-41.

.11 Standard Deduction.

(1) In general. For taxable years beginning in 2010, the standard deduction amounts under § 63(c)(2) are as follows:

Filing Status	Standard Deduction
Married Individuals Filing Joint Returns and Surviving Spouses (§ 1(a))	$11,400
Heads of Households (§ 1(b))	$8,400
Unmarried Individuals (other than Surviving Spouses and Heads of Households) (§ 1(c))	$5,700
Married Individuals Filing Separate Returns (§ 1(d))	$5,700

(2) Dependent. For taxable years beginning in 2010, the standard deduction amount under § 63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) $950, or (2) the sum of $300 and the individual's earned income.

(3) Aged or blind. For taxable years beginning in 2010, the additional standard deduction amount under § 63(f) for the aged or the blind is $1,100. These amounts are increased to $1,400 if the individual is also unmarried and not a surviving spouse.

.12 Qualified Transportation Fringe. For taxable years beginning in 2010, the monthly limitation under § 132(f)(2)(A), regarding the aggregate fringe benefit exclusion amount for transportation in a commuter highway vehicle and any transit pass, and under § 132(f)(2)(B), regarding the fringe benefit exclusion amount for qualified parking, is $230.

.13 Income from United States Savings Bonds for Taxpayers Who Pay Qualified Higher Education Expenses. For taxable years beginning in 2010, the exclusion under § 135, regarding income from United States savings bonds for taxpayers who pay qualified higher education expenses, begins to phase out for modified adjusted gross income above $105,100 for joint returns and $70,100 for other returns. The exclusion is completely phased out for modified adjusted gross income of $135,100 or more for joint returns and $85,100 or more for other returns.

.14 Adoption Assistance Programs. For taxable years beginning in 2010, under § 137(a)(2) the amount that can be excluded from an employee's gross income for the adoption of a child with special needs is $12,170. For taxable years beginning in 2010, under § 137(b)(1) the maximum amount that can be excluded from an employee's gross income for the amounts paid or expenses incurred by an employer for qualified adoption expenses furnished pursuant to an adoption assistance program for other adoptions by the employee is $12,170. The amount excludable from an employee's gross income begins to phase out under § 137(b)(2)(A) for taxpayers with modified adjusted gross income in excess of $182,520 and is completely phased out for taxpayers with modified adjusted gross income of $222,520 or more. (See section 3.03 of this revenue procedure for the adjusted items relating to the adoption credit.)

.15 Private Activity Bonds Volume Cap. For calendar year 2010, the amounts used under § 146(d)(1) to calculate the State ceiling for the volume cap for private activity bonds is the greater of (1) $90 multiplied by the State population, or (2) $273,775,000.

.16 Loan Limits for Agricultural Bonds. For calendar year 2010, the loan limit amount on agricultural bonds under § 147(c)(2)(A) for first-time farmers is $470,100.

.17 General Arbitrage Rebate Rules. For bond years ending in 2010, the amount of the computation credit determined under § 1.148-3(d)(4) of the proposed Income Tax Regulations is $1,500.

.18 Safe Harbor Rules for Broker Commissions on Guaranteed Investment Contracts or Investments Purchased for a Yield Restricted Defeasance Escrow. For calendar year 2010, under § 1.148-5(e)(2)(iii)(B)(*1*), a broker's commission or similar fee for the acquisition of a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow is reasonable if (1) the amount of the fee that the issuer treats as a qualified administrative cost does not exceed the lesser of (A) $35,000, and (B) 0.2 percent of the computational base (as defined in § 1.148-5(e)(2)(iii)(B)(*2*)) or, if more, $4,000; and (2) the issuer does not treat more than $100,000 in brokers' commissions or similar fees as qualified administrative costs for all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with gross proceeds of the issue.

.19 Personal Exemption. For taxable years beginning in 2010, the personal exemption amount under § 151(d) is $3,650.

.20 Election to Expense Certain Depreciable Assets. For taxable years beginning in 2010, under § 179(b)(1) the aggregate cost of any § 179 property a taxpayer may elect to treat as an expense cannot exceed $134,000. Under § 179(b)(2), the $134,000 limitation is reduced (but not below zero) by the amount by which the cost of § 179 property placed in service during the 2010 taxable year exceeds $530,000.

.21 Eligible Long-Term Care Premiums. For taxable years beginning in 2010, the limitations under § 213(d)(10), regarding eligible long-term care premiums includible in the term "medical care," are as follows:

Attained Age Before the Close of the Taxable Year	Limitation on Premiums
40 or less	$330
More than 40 but not more than 50	$620
More than 50 but not more than 60	$1,230
More than 60 but not more than 70	$3,290
More than 70	$4,110

.22 Medical Savings Accounts.

(1) Self-only coverage. For taxable years beginning in 2010, the term "high deductible health plan" as defined in § 220(c)(2)(A) means, for self-only coverage, a health plan that has an annual deductible that is not less than $2,000 and not more than $3,000, and under which the annual out-of-pocket expenses required to be paid (other

than for premiums) for covered benefits do not exceed $4,050.

(2) Family coverage. For taxable years beginning in 2010, the term "high deductible health plan" means, for family coverage, a health plan that has an annual deductible that is not less than $4,050 and not more than $6,050, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed $7,400.

.23 Interest on Education Loans. For taxable years beginning in 2010, the $2,500 maximum deduction for interest paid on qualified education loans under § 221 begins to phase out under § 221(b)(2)(B) for taxpayers with modified adjusted gross income in excess of $60,000 ($120,000 for joint returns), and is completely phased out for taxpayers with modified adjusted gross income of $75,000 or more ($150,000 or more for joint returns).

.24 Treatment of Dues Paid to Agricultural or Horticultural Organizations. For taxable years beginning in 2010, the limitation under § 512(d)(1), regarding the exemption of annual dues required to be paid by a member to an agricultural or horticultural organization, is $146.

.25 Insubstantial Benefit Limitations for Contributions Associated with Charitable Fund-Raising Campaigns.

(1) Low cost article. For taxable years beginning in 2010, the unrelated business income of certain exempt organizations under § 513(h)(2) does not include a "low cost article" of $9.60 or less.

(2) Other insubstantial benefits. For taxable years beginning in 2010, the $5, $25,

and $50 guidelines in section 3 of Rev. Proc. 90-12, 1990-1 C.B. 471 (as amplified by Rev. Proc. 92-49, 1992-1 C.B. 987, and modified by Rev. Proc. 92-102, 1992-2 C.B. 579), for disregarding the value of insubstantial benefits received by a donor in return for a fully deductible charitable contribution under § 170, are $9.60, $48, and $96, respectively.

.26 Expatriation to Avoid Tax. For calendar year 2010, an individual with "average annual net income tax" of more than $145,000 for the five taxable years ending before the date of the loss of United States citizenship under § 877(a)(2)(A) is a covered expatriate for purposes of § 877A(g)(1).

.27 Tax Responsibilities of Expatriation. For taxable years beginning in 2010, the amount that would be includible in the gross income of a covered expatriate by reason of § 877A(a)(1) is reduced (but not below zero) by $627,000.

.28 Foreign Earned Income Exclusion. For taxable years beginning in 2010, the foreign earned income exclusion amount under § 911(b)(2)(D)(i) is $91,500.

.29 Valuation of Qualified Real Property in Decedent's Gross Estate. For an estate of a decedent dying in calendar year 2010, if the executor elects to use the special use valuation method under § 2032A for qualified real property, the aggregate decrease in the value of qualified real property resulting from electing to use § 2032A for purposes of the estate tax cannot exceed $1,000,000.

.30 Annual Exclusion for Gifts.

(1) For calendar year 2010, the first $13,000 of gifts to any person (other than gifts of future interests in property) are not included in the total amount of taxable gifts under

§ 2503 made during that year.

(2) For calendar year 2010, the first $134,000 of gifts to a spouse who is not a citizen of the United States (other than gifts of future interests in property) are not included in the total amount of taxable gifts under §§ 2503 and 2523(i)(2) made during that year.

.31 Tax on Arrow Shafts. For calendar year 2010, the tax imposed under § 4161(b)(2)(A) on the first sale by the manufacturer, producer, or importer of any shaft of a type used in the manufacture of certain arrows is $0.45 per shaft.

.32 Reporting Exception for Certain Exempt Organizations with Nondeductible Lobbying Expenditures. For taxable years beginning in 2010, the annual per person, family, or entity dues limitation to qualify for the reporting exception under § 6033(e)(3) (and section 5.05 of Rev. Proc. 98-19, 1998-1 C.B. 547), regarding certain exempt organizations with nondeductible lobbying expenditures, is $101 or less.

.33 Notice of Large Gifts Received from Foreign Persons. For taxable years beginning in 2010, recipients of gifts from certain foreign persons may be required to report these gifts under § 6039F if the aggregate value of gifts received in a taxable year exceeds $14,165.

.34 Persons Against Whom a Federal Tax Lien Is Not Valid. For calendar year 2010, a federal tax lien is not valid against (1) certain purchasers under § 6323(b)(4) who purchased personal property in a casual sale for less than $1,380, or (2) a mechanic's lienor under § 6323(b)(7) that repaired or improved certain residential property if the contract price with the owner is not more than $6,890.

.35 Property Exempt from Levy. For calendar year 2010, the value of property exempt from levy under § 6334(a)(2) (fuel, provisions, furniture, and other household personal effects, as well as arms for personal use, livestock, and poultry) cannot exceed $8,250. The value of property exempt from levy under § 6334(a)(3) (books and tools necessary for the trade, business, or profession of the taxpayer) cannot exceed $4,120.

.36 Interest on a Certain Portion of the Estate Tax Payable in Installments. For an estate of a decedent dying in calendar year 2010, the dollar amount used to determine the "2-percent portion" (for purposes of calculating interest under § 6601(j)) of the estate tax extended as provided in § 6166 is $1,340,000.

.37 Attorney Fee Awards. For fees incurred in calendar year 2010, the attorney fee award limitation under § 7430(c)(1)(B)(iii) is $180 per hour.

.38 Periodic Payments Received under Qualified Long-Term Care Insurance Contracts or under Certain Life Insurance Contracts. For calendar year 2010, the stated dollar amount of the per diem limitation under § 7702B(d)(4), regarding periodic payments received under a qualified long-term care insurance contract or periodic payments received under a life insurance contract that are treated as paid by reason of the death of a chronically ill individual, is $290.

SECTION 4. EFFECTIVE DATE

.01 General Rule. Except as provided in section 4.02, this revenue procedure applies to taxable years beginning in 2010.

.02 Calendar Year Rule. This revenue procedure applies to transactions or events occurring in calendar year 2010 for purposes of sections 3.07 (rehabilitation expenditures treated as separate new property), 3.08 (low-income housing credit), 3.10 (transportation mainline pipeline construction industry optional expense substantiation rules for payments to employees under accountable plans), 3.15 (private activity bonds volume cap), 3.16 (loan limits on agricultural bonds), 3.17 (general arbitrage rebate rules), 3.18 (safe harbor rules for broker commissions on guaranteed investment contracts or investments purchased for a yield restricted defeasance escrow), 3.26 (expatriation to avoid tax), 3.29 (valuation of qualified real property in decedent's gross estate), 3.30 (annual exclusion for gifts), 3.31 (tax on arrow shafts), 3.34 (persons against whom a federal tax lien is not valid), 3.35 (property exempt from levy), 3.36 (interest on a certain portion of the estate tax payable in installments), 3.37 (attorney fee awards), and 3.38 (periodic payments received under qualified long-term care insurance contracts or under certain life insurance contracts).

SECTION 5. DRAFTING INFORMATION

The principal author of this revenue procedure is Christina M. Glendening of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, contact Ms. Glendening at (202) 622-4920 (not a toll-free call).