Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.602: Tax forms and instructions.
(Also Part I, §§ 1, 23, 24, 25A, 32, 42, 45R, 55, 59, 62, 63, 68, 125, 132(f),135, 137, 146, 147, 148, 151, 213, 220, 221, 512, 513, 877, 877A, 911, 2010, 2032A, 2503, 2523, 4161, 4261, 6033, 6039F, 6323, 6334, 6601, 7430, 7702B; 1.148-5.)

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SECTION 4. EFFECTIVE DATE

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SECTION 1. PURPOSE

This revenue procedure sets forth inflation-adjusted items for 2014.

SECTION 2. CHANGES

.01 Section 1421(a) of the Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, 124 Stat. 119 (PPACA), added § 45R to the Internal Revenue Code. Section 45R provides a Federal income tax credit to certain small employers that make nonelective contributions toward their employees' health insurance premiums. The maximum credit is a percentage of the premiums that the employer paid during the tax year for certain health insurance coverage that the employer provided to certain employees. Under § 45R(c) the maximum credit is phased out based on the employer's number of full-time equivalent employees in excess of 10 and the employer's average annual wages in excess of the dollar amount in effect under § 45R(d)(3)(B). For a taxable year beginning after 2013, an inflation adjustment applies to the dollar amount in § 45R(d)(3)(B), which is used under § 45R(c) as described above and under § 45R(d)(1)(B) in determining who is an eligible small employer for purposes of qualifying for this credit.

.02 Section 9005 of the PPACA amended § 125 to provide limitations on Health Flexible Spending Arrangements. Section 10902 of the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, 124 Stat. 1029, amended section 9005 and § 125 to provide that the dollar limitation under § 125(i) on voluntary employee salary reductions for contributions to health flexible spending arrangements is adjusted for inflation for taxable years beginning after December 31, 2013.

SECTION 3. 2014 ADJUSTED ITEMS

.01 Tax Rate Tables. For taxable years beginning in 2014, 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 $18,150	10% of the taxable income
Over $18,150 but not over $73,800	$1,815 plus 15% of the excess over $18,150
Over $73,800 but not over $148,850	$10,162.50 plus 25% of the excess over $73,800
Over $148,850 but not over $226,850	$28,925 plus 28% of the excess over $148,850
Over $226,850 but not over $405,100	$50,765 plus 33% of the excess over $226,850
Over $405,100 but not over $457,600	$109,587.50 plus 35% of the excess over $405,100
Over $457,600	$127,962.50 plus 39.6% of the excess over $457,600

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

If Taxable Income Is:	The Tax Is:
Not over $12,950	10% of the taxable income
Over $12,950 but not over $49,400	$1,295 plus 15% of the excess over $12,950

Over \$49,400 but not over \$127,550	\$6,762.50 plus 25% of the excess over \$49,400
Over \$127,550 but not over \$206,600	\$26,300 plus 28% of the excess over \$127,550
Over \$206,600 but not over \$405,100	\$48,434 plus 33% of the excess over \$206,600
Over \$405,100 not over \$432,200	\$113,939 plus 35% of the excess over \$405,100
Over \$432,200	\$123,424 plus 39.6% of the excess over \$432,200

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

If Taxable Income Is:	The Tax Is:
Not over \$9,075	10% of the taxable income
Over \$9,075 but not over \$36,900	\$907.50 plus 15% of the excess over \$9,075
Over \$36,900 but not over \$89,350	\$5,081.25 plus 25% of the excess over \$36,900
Over \$89,350 but not over \$186,350	\$18,193.75 plus 28% of the excess over \$89,350
Over \$186,350 but not over \$405,100	\$45,353.75 plus 33% of the excess over \$186,350
Over \$405,100 not over \$406,750	\$117,541.25 plus 35% of the excess over \$405,100
Over \$406,750	\$118,118.75 plus 39.6% of the excess over \$406,750

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

If Taxable Income Is:	The Tax Is:

Not over $9,075	10% of the taxable income
Over $9,075 but not over $36,900	$907.50 plus 15% of the excess over $9,075
Over $36,900 but not over $74,425	$5,081.25 plus 25% of the excess over $36,900
Over $74,425 but not over $113,425	$14,462.50 plus 28% of the excess over $74,425
Over $113,425 but not over $202,550	$25,382.50 plus 33% of the excess over $113,425
Over $202,550 not over $228,800	$54,793.75 plus 35% of the excess over $202,550
Over $228,800	$63,981.25 plus 39.6% of the excess over $228,800

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

If Taxable Income Is:	The Tax Is:
Not over $2,500	15% of the taxable income
Over $2,500 but not over $5,800	$375 plus 25% of the excess over $2,500
Over $5,800 but not over $8,900	$1,200 plus 28% of the excess over $5,800
Over $8,900 but not over $12,150	$2,068 plus 33% of the excess over $8,900
Over $12,150	$3,140.50 plus 39.6% of the excess over $12,150

.02 Unearned Income of Minor Children Taxed as if Parent's Income (the "Kiddie Tax"). For taxable years beginning in 2014, 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 $1,000. This $1,000 amount is the same as the amount provided in § 63(c)(5)(A), as adjusted for inflation. The same $1,000 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 2014 must be more than $1,000 but less than $10,000.

.03 Adoption Credit. For taxable years beginning in 2014, under § 23(a)(3) the credit allowed for an adoption of a child with special needs is $13,190. For taxable years beginning in 2014, under § 23(b)(1) the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to $13,190. The available adoption credit begins to phase out under § 23(b)(2)(A) for taxpayers with modified adjusted gross income in excess of $197,880 and is completely phased out for taxpayers with modified adjusted gross income of $237,880 or more. (See section 3.18 of this revenue procedure for the adjusted items relating to adoption assistance programs.)

.04 Child Tax Credit. For taxable years beginning in 2014, 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 2014, 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 in excess of $2,000, but not in excess of $4,000. Accordingly, the maximum Hope Scholarship Credit allowable under § 25A(b)(1) for taxable years beginning in 2014 is $2,500.

(2) For taxable years beginning in 2014, 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 2014, a taxpayer's modified adjusted gross income in excess of $54,000 ($108,000 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 2014, 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 2014.

Number of Qualifying Children

Item	One	Two	Three or More	None
Earned Income Amount	$9,720	$13,650	$13,650	$6,480
Maximum Amount of Credit	$3,305	$5,460	$6,143	$496
Threshold Phaseout Amount (Single, Surviving Spouse, or Head of Household)	$17,830	$17,830	$17,830	$8,110
Completed Phaseout Amount (Single, Surviving Spouse, or Head of Household)	$38,511	$43,756	$46,997	$14,590
Threshold Phaseout Amount (Married Filing Jointly)	$23,260	$23,260	$23,260	$13,540
Completed Phaseout Amount (Married Filing Jointly)	$43,941	$49,186	$52,427	$20,020

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 2014, the earned income tax credit is not allowed under § 32(i) if the aggregate amount of certain investment income exceeds $3,350.

.07 Rehabilitation Expenditures Treated as Separate New Building. For calendar year 2014, the per low-income unit qualified basis amount under § 42(e)(3)(A)(ii)(II) is $6,500.

.08 Low-Income Housing Credit. For calendar year 2014, 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) $2.30 multiplied by the State population, or (2) $2,635,000.

.09 Employee Health Insurance Expense of Small Employers. For calendar year 2014, the dollar amount in effect under § 45R(d)(3)(B) is $25,400. This amount is used under § 45R(c) for limiting the small employer health insurance credit and under § 45R(d)(1)(B) for determining who is an eligible small employer for purposes of the credit.

.10 Exemption Amounts for Alternative Minimum Tax. For taxable years beginning in 2014, the exemption amounts under § 55(d)(1) are:

Joint Returns or Surviving Spouses	$82,100
Unmarried Individuals (other than Surviving Spouses)	$52,800
Married Individuals Filing Separate Returns	$41,050
Estates and Trusts	$23,500

For taxable years beginning in 2014, under § 55(b)(1), the excess taxable income above which the 28 percent tax rate applies is:

Married Individuals Filing Separate Returns	$91,250
Joint Returns, Unmarried Individuals (other than surviving spouses), and Estates and Trusts	$182,500

For taxable years beginning in 2014, the amounts used under § 55(d)(3) to determine the phaseout of the exemption amounts are:

Joint Returns or Surviving Spouses	$156,500
Unmarried Individuals (other than Surviving Spouses)	$117,300
Married Individuals Filing Separate Returns and Estates and Trusts	$78,250

.11 Alternative Minimum Tax Exemption for a Child Subject to the "Kiddie Tax." For taxable years beginning in 2014, 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) $7,250.

.12 Transportation Mainline Pipeline Construction Industry Optional Expense Substantiation Rules for Payments to Employees under Accountable Plans. For calendar year 2014, an eligible employer may pay certain welders and heavy equipment mechanics an amount of up to $17 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.

.13 Standard Deduction.

(1) In general. For taxable years beginning in 2014, 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))	$12,400
Heads of Households (§ 1(b))	$9,100
Unmarried Individuals (other than Surviving Spouses and Heads of Households) (§ 1(c))	$6,200
Married Individuals Filing Separate Returns (§ 1(d))	$6,200

(2) Dependent. For taxable years beginning in 2014, 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) $1,000, or (2) the sum of $350 and the individual's earned income.

(3) Aged or blind. For taxable years beginning in 2014, the additional standard deduction amount under § 63(f) for the aged or the blind is $1,200. The additional standard deduction amount is increased to $1,550 if the individual is also unmarried and not a surviving spouse.

.14 Overall Limitation on Itemized Deductions. For taxable years beginning in 2014, the applicable amounts under § 68(b) are $305,050 in the case of a joint return or a surviving spouse, $279,650 in the case of a head of household, $254,200 in the case of an individual who is not married and who is not a surviving spouse or head of household, $152,525 in the case of a married individual filing a separate return.

.15 Cafeteria Plans. For the taxable years beginning in 2014, the dollar limitation under § 125(i) on voluntary employee salary reductions for contributions to health flexible spending arrangements is $2,500.

.16 Qualified Transportation Fringe Benefit. For taxable years beginning in 2014, 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 is $130. The monthly limitation under § 132(f)(2)(B) regarding the fringe benefit exclusion amount for qualified parking is $250.

.17 Income from United States Savings Bonds for Taxpayers Who Pay Qualified Higher Education Expenses. For taxable years beginning in 2014, 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 $113,950 for joint returns and $76,000 for all other returns. The exclusion is completely phased out for modified adjusted gross income of $143,950 or more for joint returns and $91,000 or more for all other returns.

.18 Adoption Assistance Programs. For taxable years beginning in 2014, 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 $13,190. For taxable years beginning in 2014, 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 $13,190. 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 $197,880 and is completely phased out for taxpayers with modified adjusted gross income of $237,880 or more. (See section 3.03 of this revenue procedure for the adjusted items relating to the adoption credit.)

.19 Private Activity Bonds Volume Cap. For calendar year 2014, 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) $100 multiplied by the State population, or (2) $296,825,000.

.20 Loan Limits on Agricultural Bonds. For calendar year 2014, the loan limit amount on agricultural bonds under § 147(c)(2)(A) for first-time farmers is $509,600.

.21 General Arbitrage Rebate Rules. For bond years ending in 2014, the amount of the computation credit determined under the permission to rely on § 1.148-3(d)(4) of the proposed Income Tax Regulations is $1,620.

.22 Safe Harbor Rules for Broker Commissions on Guaranteed Investment Contracts or Investments Purchased for a Yield Restricted Defeasance Escrow. For calendar year 2014, 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) $38,000, 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 $108,000 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.

.23 Personal Exemption.

(1) For taxable years beginning in 2014, the personal exemption amount under § 151(d) is $3,950.

(2) Phaseout. For taxable years beginning in 2014, the personal exemption phases out for taxpayers with the following adjusted gross income amounts:

Filing Status	AGI – Beginning of Phaseout	AGI – Completed Phaseout
Married Individuals Filing Joint Returns and Surviving Spouses (§ 1(a))	$305,050	$427,550
Heads of Households (§ 1(b))	$279,650	$402,150
Unmarried Individuals (other than Surviving Spouses and Heads of Households) (§ 1(c))	$254,200	$376,700
Married Individuals Filing Separate Returns (§ 1(d))	$152,525	$213,775

.24 Eligible Long-Term Care Premiums. For taxable years beginning in 2014, 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	$370
More than 40 but not more than 50	$700
More than 50 but not more than 60	$1,400
More than 60 but not more than 70	$3,720
More than 70	$4,660

.25 Medical Savings Accounts.

(1) Self-only coverage. For taxable years beginning in 2014, 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 $2,200 and not more than $3,250, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed $4,350.

(2) Family coverage. For taxable years beginning in 2014, the term "high deductible health plan" means, for family coverage, a health plan that has an annual deductible that is not less than $4,350 and not more than $6,550, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed $8,000.

.26 Interest on Education Loans. For taxable years beginning in 2014, 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 $65,000 ($130,000 for joint returns), and is completely phased out for taxpayers with modified adjusted gross income of $80,000 or more ($160,000 or more for joint returns).

.27 Treatment of Dues Paid to Agricultural or Horticultural Organizations. For taxable years beginning in 2014, 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 $158.

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

(1) Low cost article. For taxable years beginning in 2014, for purposes of defining the term “unrelated trade or business” for certain exempt organizations under § 513(h)(2), “low cost articles” are articles costing $10.40 or less.

(2) Other insubstantial benefits. For taxable years beginning in 2014, under § 170, 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 the value of insubstantial benefits that may be received by a donor in return for a contribution, without causing the contribution to fail to be fully deductible, are $10.40, $52, and $104, respectively.

.29 Expatriation to Avoid Tax. For calendar year 2014, under § 877A(g)(1)(A), unless an exception under § 877A(g)(1)(B) applies, an individual is a covered expatriate if the individual’s “average annual net income tax” under §877(a)(2)(A) for the five taxable years ending before the expatriation date is more than $157,000.

.30 Tax Responsibilities of Expatriation. For taxable years beginning in 2014, 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 $ 680,000.

.31 Foreign Earned Income Exclusion. For taxable years beginning in 2014, the foreign earned income exclusion amount under § 911(b)(2)(D)(i) is $99,200.

.32 Unified Credit Against Estate Tax. For an estate of any decedent dying during calendar year 2014, the basic exclusion amount is $5,340,000 for determining the amount of the unified credit against estate tax under § 2010.

.33 Valuation of Qualified Real Property in Decedent's Gross Estate. For an estate of a decedent dying in calendar year 2014, 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 $1,090,000.

.34 Annual Exclusion for Gifts.

(1) For calendar year 2014, the first $14,000 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 2014, the first $145,000 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.

.35 Tax on Arrow Shafts. For calendar year 2014, 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 $0.48 per shaft.

.36 Passenger Air Transportation Excise Tax. For calendar year 2014, the tax under § 4261(b)(1) on the amount paid for each domestic segment of taxable air transportation is $4. For calendar year 2014, the tax under § 4261(c)(1) on any amount paid (whether within or without the United States) for any international air transportation, if the transportation begins or ends in the United States, generally is $17.50. Under § 4261(c)(3), however, a lower amount applies under § 4261(c)(1) to a domestic segment beginning or ending in Alaska or Hawaii, and the tax applies only to departures. For calendar year 2014, the rate is $8.70.

.37 Reporting Exception for Certain Exempt Organizations with Nondeductible Lobbying Expenditures. For taxable years beginning in 2014, 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 $110 or less.

.38 Notice of Large Gifts Received from Foreign Persons. For taxable years beginning in 2014, § 6039F authorizes the Treasury Department and the Internal Revenue Service to require recipients of gifts from certain foreign persons to report these gifts if the aggregate value of gifts received in the taxable year exceeds $ 15,358.

.39 Persons Against Whom a Federal Tax Lien Is Not Valid. For calendar year 2014, 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 $1,490, or (2) a mechanic's lienor under § 6323(b)(7) who repaired or improved certain residential property if the contract price with the owner is not more than $7,470.

.40 Property Exempt from Levy. For calendar year 2014, 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 $8,940. 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 $4,470.

.41 Interest on a Certain Portion of the Estate Tax Payable in Installments. For an estate of a decedent dying in calendar year 2014, 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 $1,450,000.

.42 Attorney Fee Awards. For fees incurred in calendar year 2014, the attorney fee award limitation under § 7430(c)(1)(B)(iii) is $190 per hour.

.43 Periodic Payments Received under Qualified Long-Term Care Insurance Contracts or under Certain Life Insurance Contracts. For calendar year 2014, 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 $330.

SECTION 4. EFFECTIVE DATE

.01 General Rule. Except as provided in section 4.02, this revenue procedure applies to taxable years beginning in 2014.

.02 Calendar Year Rule. This revenue procedure applies to transactions or events occurring in calendar year 2014 for purposes of sections 3.07 (rehabilitation expenditures treated as separate new building), 3.08 (low-income housing credit), 3.12 (transportation mainline pipeline construction industry optional expense substantiation rules for payments to employees under accountable plans), 3.19 (private activity bonds volume cap), 3.20 (loan limits on agricultural bonds), 3.21 (general arbitrage rebate rules), 3.22 (safe harbor rules for broker commissions on guaranteed investment contracts or investments purchased for a yield restricted defeasance escrow), 3.29 (expatriation to avoid tax), 3.33 (valuation of qualified real property in decedent's gross estate), 3.34 (annual exclusion for gifts), 3.35 (tax on arrow shafts), 3.36 (passenger air transportation excise tax), 3.39 (persons against whom a federal tax lien is not valid), 3.40 (property exempt from levy), 3.41 (interest on a certain portion of the estate tax payable in installments), 3.42 (attorney fee awards), and 3.43 (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 William Ruane of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, contact Mr. Ruane at (202) 622-4920 (not a toll-free call).