

# INTERNAL REVENUE BULLETIN



## HIGHLIGHTS OF THIS ISSUE

**Bulletin No. 2016-24**  
**June 13, 2016**

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.

## EXEMPT ORGANIZATIONS

### **Announcement 2016-22, page 1028.**

Revocation of IRC 501(c)(3) Organizations for failure to meet the code section requirements. Contributions made to the organizations by individual donors are no longer deductible under IRC 170(b)(1)(A).

# The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

## Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned

against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

### **Part I.—1986 Code.**

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

### **Part II.—Treaties and Tax Legislation.**

This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

### **Part III.—Administrative, Procedural, and Miscellaneous.**

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

### **Part IV.—Items of General Interest.**

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The last Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the last Bulletin of each semiannual period.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

# Part IV. Items of General Interest

## Announcement 2016–22

### Deletions From Cumulative List of Organizations, Contributions to Which are Deductible Under Section 170 of the Code

#### Table of Contents

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986.

Generally, the IRS will not disallow deductions for contributions made to a

listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the IRS is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, con-

tributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on June 6, 2016 and would end on the date the court first determines the organization is not described in section 170(c)(2) as more particularly set for in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

NAME OF ORGANIZATION	Effective Date of Revocation	LOCATION
Bureau of Indigenous Muslim Affairs	May 15, 2014	Elizabeth, NJ
Operation Reach, Inc.	January 1, 2012	New Orleans, LA
Texas Highway Patrol Museum	January 1, 2015	Austin, TX

# 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 applies 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 laws 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 a 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 sub-

stance 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—Donee.  
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 Contributions 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.—Statement 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.

## Numerical Finding List<sup>1</sup>

Bulletins 2016–1 through 2016–24

### Announcements:

2016-1, 2016-3 I.R.B. 283  
2016-2, 2016-3 I.R.B. 283  
2016-3, 2016-4 I.R.B. 294  
2016-4, 2016-6 I.R.B. 313  
2016-5, 2016-8 I.R.B. 356  
2016-6, 2016-10 I.R.B. 409  
2016-7, 2016-8 I.R.B. 356  
2016-8, 2016-9 I.R.B. 367  
2016-9, 2016-9 I.R.B. 367  
2016-10, 2016-9 I.R.B. 367  
2016-11, 2016-10 I.R.B. 411  
2016-12, 2016-16 I.R.B. 589  
2016-13, 2016-13 I.R.B. 514  
2016-14, 2016-14 I.R.B. 535  
2016-15, 2016-17 I.R.B. 636  
2016-16, 2016-18 I.R.B. 697  
2016-17, 2016-20 I.R.B. 854  
2016-18, 2016-19 I.R.B. 741  
2016-19, 2016-19 I.R.B. 741  
2016-20, 2016-21 I.R.B. 991  
2016-22, 2016-24 I.R.B. 1028

### Notices:

2016-1, 2016-2 I.R.B. 265  
2016-2, 2016-2 I.R.B. 265  
2016-3, 2016-3 I.R.B. 278  
2016-4, 2016-3 I.R.B. 279  
2016-5, 2016-6 I.R.B. 302  
2016-6, 2016-4 I.R.B. 287  
2016-7, 2016-5 I.R.B. 296  
2016-8, 2016-6 I.R.B. 304  
2016-9, 2016-6 I.R.B. 306  
2016-10, 2016-6 I.R.B. 307  
2016-11, 2016-6 I.R.B. 312  
2016-12, 2016-6 I.R.B. 312  
2016-13, 2016-7 I.R.B. 314  
2016-14, 2016-7 I.R.B. 315  
2016-15, 2016-13 I.R.B. 486  
2016-16, 2016-7 I.R.B. 318  
2016-17, 2016-9 I.R.B. 358  
2016-18, 2016-9 I.R.B. 359  
2016-19, 2016-9 I.R.B. 362  
2016-20, 2016-9 I.R.B. 362  
2016-21, 2016-12 I.R.B. 465  
2016-22, 2016-13 I.R.B. 488  
2016-23, 2016-13 I.R.B. 490  
2016-24, 2016-13 I.R.B. 492  
2016-25, 2016-13 I.R.B. 493  
2016-26, 2016-14 I.R.B. 533  
2016-27, 2016-15 I.R.B. 576  
2016-28, 2016-15 I.R.B. 576  
2016-29, 2016-18 I.R.B. 673  
2016-30, 2016-18 I.R.B. 676

### Notices:—Continued

2016-31, 2016-23 I.R.B. 1025  
2016-32, 2016-21 I.R.B. 878  
2016-33, 2016-22 I.R.B. 1013  
2016-34, 2016-22 I.R.B. 1016

### Proposed Regulations:

REG-103380-05, 2016-16 I.R.B. 614  
REG-118867-10, 2016-10 I.R.B. 411  
REG-147310-12, 2016-7 I.R.B. 336  
REG-150349-12, 2016-11 I.R.B. 440  
REG-138344-13, 2016-4 I.R.B. 294  
REG-123867-14, 2016-12 I.R.B. 484  
REG-125761-14, 2016-7 I.R.B. 322  
REG-135734-14, 2016-18 I.R.B. 712  
REG-135734-14, 2016-20 I.R.B. 854  
REG-100861-15, 2016-8 I.R.B. 356  
REG-108060-15, 2016-17 I.R.B. 636  
REG-109822-15, 2016-14 I.R.B. 535  
REG-114307-15, 2016-21 I.R.B. 1006  
REG-127199-15, 2016-21 I.R.B. 1007  
REG-127561-15, 2016-21 I.R.B. 991  
REG-127923-15, 2016-12 I.R.B. 473  
REG-129067-15, 2016-10 I.R.B. 421  
REG-133673-15, 2016-18 I.R.B. 697  
REG-134122-15, 2016-7 I.R.B. 334  
REG-101701-16, 2016-9 I.R.B. 368

### Revenue Procedures:

2016-1, 2016-1 I.R.B. 1  
2016-2, 2016-1 I.R.B. 102  
2016-3, 2016-1 I.R.B. 126  
2016-4, 2016-1 I.R.B. 142  
2016-5, 2016-1 I.R.B. 188  
2016-6, 2016-1 I.R.B. 200  
2016-7, 2016-1 I.R.B. 239  
2016-8, 2016-1 I.R.B. 243  
2016-10, 2016-2 I.R.B. 270  
2016-11, 2016-2 I.R.B. 274  
2016-13, 2016-4 I.R.B. 290  
2016-14, 2016-9 I.R.B. 365  
2016-15, 2016-11 I.R.B. 435  
2016-16, 2016-10 I.R.B. 394  
2016-17, 2016-11 I.R.B. 436  
2016-18, 2016-17 I.R.B. 635  
2016-19, 2016-13 I.R.B. 497  
2016-20, 2016-13 I.R.B. 499  
2016-21, 2016-14 I.R.B. 533  
2016-22, 2016-15 I.R.B. 577  
2016-23, 2016-16 I.R.B. 581  
2016-24, 2016-18 I.R.B. 677  
2016-25, 2016-18 I.R.B. 678  
2016-26, 2016-22 I.R.B. 1018  
2016-27, 2016-19 I.R.B. 725  
2016-28, 2016-20 I.R.B. 853  
2016-29, 2016-21 I.R.B. 880  
2016-30, 2016-21 I.R.B. 981  
2016-31, 2016-21 I.R.B. 988  
2016-32, 2016-22 I.R.B. 1019

### Revenue Rulings:

2016-1, 2016-2 I.R.B. 262  
2016-2, 2016-4 I.R.B. 284  
2016-3, 2016-3 I.R.B. 282  
2016-4, 2016-6 I.R.B. 299  
2016-5, 2016-8 I.R.B. 344  
2016-6, 2016-14 I.R.B. 519  
2016-7, 2016-10 I.R.B. 391  
2016-8, 2016-11 I.R.B. 426  
2016-9, 2016-14 I.R.B. 530  
2016-10, 2016-15 I.R.B. 545  
2016-11, 2016-19 I.R.B. 717  
2016-13, 2016-23 I.R.B. 1022

### Treasury Decisions:

9745, 2016-2 I.R.B. 256  
9746, 2016-14 I.R.B. 515  
9748, 2016-8 I.R.B. 347  
9749, 2016-10 I.R.B. 373  
9750, 2016-10 I.R.B. 374  
9751, 2016-10 I.R.B. 379  
9752, 2016-10 I.R.B. 385  
9753, 2016-11 I.R.B. 426  
9754, 2016-11 I.R.B. 432  
9755, 2016-12 I.R.B. 442  
9756, 2016-12 I.R.B. 450  
9757, 2016-12 I.R.B. 462  
9759, 2016-15 I.R.B. 545  
9760, 2016-15 I.R.B. 564  
9761, 2016-20 I.R.B. 743  
9762, 2016-19 I.R.B. 718  
9763, 2016-20 I.R.B. 800  
9764, 2016-20 I.R.B. 803  
9765, 2016-20 I.R.B. 814  
9766, 2016-21 I.R.B. 855  
9767, 2016-21 I.R.B. 857  
9768, 2016-21 I.R.B. 862  
9769, 2016-23 I.R.B. 1020

<sup>1</sup>A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2015–27 through 2015–52 is in Internal Revenue Bulletin 2015–52, dated December 28, 2015.

## Finding List of Current Actions on Previously Published Items<sup>1</sup>

Bulletins 2016–1 through 2016–24

### Announcements:

#### 2007-21

Modified by  
Ann. 2016-1, 2016-3 I.R.B. 283

### Notices:

#### 2005-50

Modified by  
Notice 2016-2, 2016-2 I.R.B. 265

#### 2007-59

Revoked by  
Notice 2016-16, 2016-7 I.R.B. 318

#### 2013-29

Clarified by  
Notice 2016-31, 2016-23 I.R.B. 1025

#### 2013-46

Clarified by  
Notice 2016-31, 2016-23 I.R.B. 1025

#### 2013-54

Supplemented by  
Notice 2016-17, 2016-9 I.R.B. 358

#### 2014-79

Superseded by  
Notice 2016-1, 2016-2 I.R.B. 265

#### 2015-25

Modified by  
Notice 2016-31, 2016-23 I.R.B. 1025

#### 2015-52

Supplemented by  
Notice 2016-17, 2016-9 I.R.B. 358

#### 2015-87

Supplemented by  
Notice 2016-17, 2016-9 I.R.B. 358

#### 2016-60

Modified by  
Notice 2016-31, 2016-23 I.R.B. 1025

### Revenue Procedures:

#### 1987-24

Superseded by  
Rev. Proc. 2016-22, 2016-15 I.R.B. 577

#### 2003-36

Superseded by  
Rev. Proc. 2016-19, 2016-13 I.R.B. 497

## Revenue Procedures:—Continued

#### 2009-14

Modified by  
Rev. Proc. 2016-30, 2016-21 I.R.B. 981

#### 2009-14

Superseded by  
Rev. Proc. 2016-30, 2016-21 I.R.B. 981

#### 2014-56

Superseded by  
Rev. Proc. 2016-20, 2016-13 I.R.B. 499

#### 2014-64

Supplemented by  
Rev. Proc. 2016-18, 2016-17 I.R.B. 635

#### 2015-1

Superseded by  
Rev. Proc. 2016-2, 2016-1 I.R.B. 1

#### 2015-2

Superseded by  
Rev. Proc. 2016-2, 2016-1 I.R.B. 102

#### 2015-3

Superseded by  
Rev. Proc. 2016-3, 2016-1 I.R.B. 126

#### 2015-5

Superseded by  
Rev. Proc. 2016-5, 2016-1 I.R.B. 142

#### 2015-7

Superseded by  
Rev. Proc. 2016-7, 2016-1 I.R.B. 188

#### 2015-8

Superseded by  
Rev. Proc. 2016-8, 2016-1 I.R.B. 200

#### 2015-9

Superseded by  
Rev. Proc. 2016-5, 2016-1 I.R.B. 239

#### 2015-10

Superseded by  
Rev. Proc. 2016-10, 2016-2 I.R.B. 270

#### 2015-14

Amplified by  
Rev. Proc. 2016-29, 2016-21 I.R.B. 880

#### 2015-14

Modified by  
Rev. Proc. 2016-29, 2016-21 I.R.B. 880

#### 2015-19

Amplified by  
Rev. Proc. 2016-23, 2016-16 I.R.B. 581

## Revenue Procedures:—Continued

#### 2015-19

Modified by  
Rev. Proc. 2016-23, 2016-16 I.R.B. 581

#### 2015-22

Superseded by  
Rev. Proc. 2016-8, 2016-01 I.R.B. 243

#### 2015-34

Modified by  
Rev. Proc. 2016-27, 2016-19 I.R.B. 725

#### 2015-34

Supplemented by  
Rev. Proc. 2016-27, 2016-19 I.R.B. 725

#### 2015-50

Supplemented by  
Rev. Proc. 2016-18, 2016-17 I.R.B. 635

#### 2015-53

Modified by  
Rev. Proc. 2016-11, 2016-2 I.R.B. 274

#### 2016-1

Modified by  
Rev. Proc. 2016-30, 2016-21 I.R.B. 981

### Revenue Rulings:

#### 2005-3

Modified by  
Rev. Rul. 2016-8, 2016-11 I.R.B. 426

#### 2008-15

Revoked by  
Rev. Rul. 2016-3, 2016-3 I.R.B. 282

<sup>1</sup>A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2015–27 through 2015–52 is in Internal Revenue Bulletin 2015–52, dated December 28, 2015.

# **Internal Revenue Service**

## **Washington, DC 20224**

---

Official Business  
Penalty for Private Use, \$300

---

## **INTERNAL REVENUE BULLETIN**

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at *www.irs.gov/irb/*.

---

## **We Welcome Comments About the Internal Revenue Bulletin**

If you have comments concerning the format or production of the Internal Revenue Bulletin or suggestions for improving it, we would be pleased to hear from you. You can email us your suggestions or comments through the IRS Internet Home Page (*www.irs.gov*) or write to the Internal Revenue Service, Publishing Division, IRB Publishing Program Desk, 1111 Constitution Ave. NW, IR-6230 Washington, DC 20224.