

INTERNAL REVENUE BULLETIN



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.

ADMINISTRATIVE, INCOME TAX

Notice 2022-36, page 188.

This notice provides systemic penalty relief to taxpayers for certain civil penalties with respect to 2019 and 2020 returns. The relevant penalties will be waived or, to the extent previously assessed, abated, refunded, or credited, as appropriate.

EMPLOYEE PLANS

Notice 2022-35, page 184.

Notice 2022-35 provides guidance on the corporate bond monthly yield curve, the corresponding spot segment rates used under §417(e)(3), and the 24-month average segment rates under §430(h)(2) of the Internal Revenue Code. In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under §417(e)(3)(A)(ii)(II) as in effect for plan years beginning before 2008 and the 30-year Treasury weighted average rate under §431(c)(6)(E)(ii)(I).

Bulletin No. 2022-36
September 6, 2022

EXEMPT ORGANIZATIONS

Announcement 2022-18, page 190.

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).

Announcement 2022-19, page 191.

Serves notice to potential donors of a stipulated decision by the United States Tax Court in declaratory judgment proceedings under Section 7428.

INCOME TAX

Rev. Rul. 2022-17, page 182.

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term tax exempt rate. For purposes of sections 382, 1274, 1288, 7872 and other sections of the Code, tables set forth the rates for September 2022.

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 I

Section 1274.— Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 467, 468, 482, 483, 1288, 7520, 7872.)

Rev. Rul. 2022-17

This revenue ruling provides various prescribed rates for federal income

tax purposes for September 2022 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate

percentages for determining the low-income housing credit described in section 42(b)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2022-17 TABLE 1
Applicable Federal Rates (AFR) for September 2022
Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
		<i>Short-term</i>		
AFR	3.05%	3.03%	3.02%	3.01%
110% AFR	3.36%	3.33%	3.32%	3.31%
120% AFR	3.67%	3.64%	3.62%	3.61%
130% AFR	3.98%	3.94%	3.92%	3.91%
		<i>Mid-term</i>		
AFR	2.93%	2.91%	2.90%	2.89%
110% AFR	3.23%	3.20%	3.19%	3.18%
120% AFR	3.52%	3.49%	3.47%	3.46%
130% AFR	3.82%	3.78%	3.76%	3.75%
150% AFR	4.42%	4.37%	4.35%	4.33%
175% AFR	5.15%	5.09%	5.06%	5.04%
		<i>Long-term</i>		
AFR	3.14%	3.12%	3.11%	3.10%
110% AFR	3.46%	3.43%	3.42%	3.41%
120% AFR	3.77%	3.74%	3.72%	3.71%
130% AFR	4.10%	4.06%	4.04%	4.03%

REV. RUL. 2022-17 TABLE 2
Adjusted AFR for September 2022
Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	2.31%	2.30%	2.29%	2.29%
Mid-term adjusted AFR	2.22%	2.21%	2.20%	2.20%
Long-term adjusted AFR	2.38%	2.37%	2.36%	2.36%

REV. RUL. 2022-17 TABLE 3

Rates Under Section 382 for September 2022

Adjusted federal long-term rate for the current month	2.38%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	2.54%

REV. RUL. 2022-17 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for September 2022

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.70%
Appropriate percentage for the 30% present value low-income housing credit	3.30%

REV. RUL. 2022-17 TABLE 5

Rate Under Section 7520 for September 2022

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest	3.60%
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Section 42.—Low-Income Housing Credit

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 467.—Certain Payments for the Use of Property or Services

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 483.—Interest on Certain Deferred Payments

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 280G.—Golden Parachute Payments

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The applicable federal short-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

The adjusted applicable federal long-term rate is set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 482.—Allocation of Income and Deductions Among Taxpayers

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 7520.—Valuation Tables

The applicable federal mid-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Section 7872.—Treatment of Loans With Below-Market Interest Rates

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2022. See Rev. Rul. 2022-17, page 182.

Part III

Update for Weighted Average Interest Rates, Yield Curves, and Segment Rates

Notice 2022-35

This notice provides guidance on the corporate bond monthly yield curve, the corresponding spot segment rates used under § 417(e)(3), and the 24-month average segment rates under § 430(h)(2) of the Internal Revenue Code. In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning before 2008 and the 30-year Treasury weighted average rate under § 431(c)(6)(E)(ii)(I).

YIELD CURVE AND SEGMENT RATES

Section 430 specifies the minimum funding requirements that apply to

single-employer plans (except for CSEC plans under § 414(y)) pursuant to § 412. Section 430(h)(2) specifies the interest rates that must be used to determine a plan's target normal cost and funding target. Under this provision, present value is generally determined using three 24-month average interest rates ("segment rates"), each of which applies to cash flows during specified periods. To the extent provided under § 430(h)(2)(C)(iv), these segment rates are adjusted by the applicable percentage of the 25-year average segment rates for the period ending September 30 of the year preceding the calendar year in which the plan year begins.¹ However, an election may be made under § 430(h)(2)(D)(ii) to use the monthly yield curve in place of the segment rates.

Notice 2007-81, 2007-44 I.R.B. 899, provides guidelines for determining the monthly corporate bond yield curve, and the 24-month average corporate bond segment rates used to compute the target normal cost and the funding target. Consistent with the methodology specified in

Notice 2007-81, the monthly corporate bond yield curve derived from July 2022 data is in Table 2022-7 at the end of this notice. The spot first, second, and third segment rates for the month of July 2022 are, respectively, 3.67, 4.67, and 4.73

The 24-month average segment rates determined under § 430(h)(2)(C)(i) through (iii) must be adjusted pursuant to § 430(h)(2)(C)(iv) to be within the applicable minimum and maximum percentages of the corresponding 25-year average segment rates. The 25-year average segment rates for plan years beginning in 2021 and 2022 were published in Notice 2020-72, 2020-40 I.R.B. 789, and Notice 2021-54, 2021-41 I.R.B. 457, respectively.

24-MONTH AVERAGE CORPORATE BOND SEGMENT RATES

The three 24-month average corporate bond segment rates applicable for August 2022 without adjustment for the 25-year average segment rate limits are as follows:

Applicable Month	24-Month Average Segment Rates Without 25-Year Average Adjustment		
	First Segment	Second Segment	Third Segment
August 2022	1.27	2.99	3.51

25-YEAR AVERAGE SEGMENT RATES

Section 9706(a) of the American Rescue Plan Act of 2021, Pub. L. 117-2 (the ARP), which was enacted on March 11, 2021, changed the 25-year average segment rates and the applicable minimum and maximum percentages used under § 430(h)(2)(C)(iv) of the Code to adjust the 24-month average segment rates.² Prior to this change, the applicable minimum

and maximum percentages were 85% and 115% for a plan year beginning in 2021, and 80% and 120% for a plan year beginning in 2022, respectively. After this change, the applicable minimum and maximum percentages are 95% and 105% for a plan year beginning in 2021 or 2022. In addition, pursuant to this change, any 25-year average segment rate that is less than 5% is deemed to be 5%.³

Pursuant to § 9706(c)(1) of the ARP, these changes apply with respect to plan

years beginning on or after January 1, 2020. However, § 9706(c)(2) of the ARP provides that a plan sponsor may elect not to have these changes apply to any plan year beginning before January 1, 2022.⁴

The adjusted 24-month average segment rates set forth in the chart below reflect § 430(h)(2)(C)(iv) of the Code as amended by § 9706(a) of the ARP. These adjusted 24-month average segment rates apply only for plan years for which an election under § 9706(c)(2) of

¹Pursuant to § 433(h)(3)(A), the third segment rate determined under § 430(h)(2)(C) is used to determine the current liability of a CSEC plan (which is used to calculate the minimum amount of the full funding limitation under § 433(c)(7)(C)).

²Section 80602 of the Infrastructure Investment and Jobs Act, Pub. L. 117-58, makes further changes to the time periods for which specified applicable minimum and maximum percentages apply.

³Pursuant to this change, the 25-year averages of the first segment rate for 2021 and 2022 are increased to 5.00% because those 25-year averages as originally published are below 5.00%.

⁴This election may be made either for all purposes for which the amendments under § 9706 of the ARP apply or solely for purposes of determining the adjusted funding target attainment percentage under § 436 of the Code for the plan year.

the ARP is not in effect. For a plan year for which such an election does not apply, the 24-month averages applicable for August

2022, adjusted to be within the applicable minimum and maximum percentages of the corresponding 25-year average

segment rates in accordance with § 430(h)(2)(C)(iv) of the Code, are as follows:

<i>Adjusted 24-Month Average Segment Rates</i>				
For Plan Years Beginning In	Applicable Month	First Segment	Second Segment	Third Segment
2021	August 2022	4.75	5.36	6.11
2022	August 2022	4.75	5.18	5.92

The adjusted 24-month average segment rates set forth in the chart below do not reflect the changes to § 430(h)(2)(C)(iv) of the Code made by § 9706(a) of the ARP. These adjusted 24-month average

segment rates apply only for plan years for which an election under § 9706(c)(2) of the ARP is in effect. For a plan year for which such an election applies, the 24-month averages applicable for July

2022, adjusted to be within the applicable minimum and maximum percentages of the corresponding 25-year average segment rates in accordance with § 430(h)(2)(C)(iv) of the Code, are as follows:

<i>Pre-ARP Adjusted 24-Month Average Segment Rates</i>				
For Plan Years Beginning In	Applicable Month	First Segment	Second Segment	Third Segment
2021	August 2022	3.32	4.79	5.47

30-YEAR TREASURY SECURITIES INTEREST RATES

Section 431 specifies the minimum funding requirements that apply to multiemployer plans pursuant to § 412. Section 431(c)(6)(B) specifies a minimum amount for the full-funding limitation described in § 431(c)(6)(A), based on the plan's current liability. Section 431(c)(6)(E)(ii)(I) provides that the interest rate

used to calculate current liability for this purpose must be no more than 5 percent above and no more than 10 percent below the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year. Notice 88-73, 1988-2 C.B. 383, provides guidelines for determining the weighted average interest rate. The rate of interest on 30-year Treasury securities for July

2022 is 3.10 percent. The Service determined this rate as the average of the daily determinations of yield on the 30-year Treasury bond maturing in May 2052. For plan years beginning in August 2022, the weighted average of the rates of interest on 30-year Treasury securities and the permissible range of rates used to calculate current liability are as follows:

<i>Treasury Weighted Average Rates</i>		
For Plan Years Beginning In	30-Year Treasury Weighted Average	Permissible Range 90% to 105%
August 2022	2.19	1.97 to 2.30

MINIMUM PRESENT VALUE SEGMENT RATES

In general, the applicable interest rates

under § 417(e)(3)(D) are segment rates computed without regard to a 24-month average. Notice 2007-81 provides guidelines for determining the minimum

present value segment rates. Pursuant to that notice, the minimum present value segment rates determined for July 2022 are as follows:

<i>Minimum Present Value Segment Rates</i>			
Month	First Segment	Second Segment	Third Segment
July 2022	3.67	4.67	4.73

DRAFTING INFORMATION

The principal author of this notice is Tom Morgan of the Office of Associate

Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). However, other personnel from the IRS participated in the development

of this guidance. For further information regarding this notice, contact Mr. Morgan at 202-317-6700 or Osmundo Bernabe at 626-927-1344 (not a toll-free number).

Table 2022-7
Monthly Yield Curve for July 2022
Derived from June 2022 Data

<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>
0.5	2.98	20.5	4.84	40.5	4.72	60.5	4.69	80.5	4.67
1.0	3.26	21.0	4.83	41.0	4.72	61.0	4.68	81.0	4.67
1.5	3.50	21.5	4.83	41.5	4.72	61.5	4.68	81.5	4.67
2.0	3.67	22.0	4.82	42.0	4.71	62.0	4.68	82.0	4.67
2.5	3.78	22.5	4.81	42.5	4.71	62.5	4.68	82.5	4.67
3.0	3.83	23.0	4.81	43.0	4.71	63.0	4.68	83.0	4.67
3.5	3.86	23.5	4.80	43.5	4.71	63.5	4.68	83.5	4.67
4.0	3.89	24.0	4.79	44.0	4.71	64.0	4.68	84.0	4.67
4.5	3.92	24.5	4.79	44.5	4.71	64.5	4.68	84.5	4.67
5.0	3.97	25.0	4.78	45.0	4.71	65.0	4.68	85.0	4.67
5.5	4.02	25.5	4.78	45.5	4.71	65.5	4.68	85.5	4.67
6.0	4.08	26.0	4.78	46.0	4.71	66.0	4.68	86.0	4.67
6.5	4.15	26.5	4.77	46.5	4.70	66.5	4.68	86.5	4.67
7.0	4.22	27.0	4.77	47.0	4.70	67.0	4.68	87.0	4.66
7.5	4.29	27.5	4.77	47.5	4.70	67.5	4.68	87.5	4.66
8.0	4.37	28.0	4.76	48.0	4.70	68.0	4.68	88.0	4.66
8.5	4.44	28.5	4.76	48.5	4.70	68.5	4.68	88.5	4.66
9.0	4.50	29.0	4.76	49.0	4.70	69.0	4.68	89.0	4.66
9.5	4.57	29.5	4.75	49.5	4.70	69.5	4.68	89.5	4.66
10.0	4.62	30.0	4.75	50.0	4.70	70.0	4.68	90.0	4.66
10.5	4.67	30.5	4.75	50.5	4.70	70.5	4.68	90.5	4.66
11.0	4.72	31.0	4.75	51.0	4.70	71.0	4.68	91.0	4.66
11.5	4.76	31.5	4.75	51.5	4.70	71.5	4.67	91.5	4.66
12.0	4.79	32.0	4.74	52.0	4.70	72.0	4.67	92.0	4.66
12.5	4.82	32.5	4.74	52.5	4.70	72.5	4.67	92.5	4.66
13.0	4.84	33.0	4.74	53.0	4.69	73.0	4.67	93.0	4.66
13.5	4.86	33.5	4.74	53.5	4.69	73.5	4.67	93.5	4.66
14.0	4.87	34.0	4.74	54.0	4.69	74.0	4.67	94.0	4.66
14.5	4.88	34.5	4.73	54.5	4.69	74.5	4.67	94.5	4.66
15.0	4.89	35.0	4.73	55.0	4.69	75.0	4.67	95.0	4.66
15.5	4.89	35.5	4.73	55.5	4.69	75.5	4.67	95.5	4.66
16.0	4.89	36.0	4.73	56.0	4.69	76.0	4.67	96.0	4.66
16.5	4.89	36.5	4.73	56.5	4.69	76.5	4.67	96.5	4.66
17.0	4.88	37.0	4.73	57.0	4.69	77.0	4.67	97.0	4.66
17.5	4.88	37.5	4.73	57.5	4.69	77.5	4.67	97.5	4.66
18.0	4.87	38.0	4.72	58.0	4.69	78.0	4.67	98.0	4.66
18.5	4.87	38.5	4.72	58.5	4.69	78.5	4.67	98.5	4.66
19.0	4.86	39.0	4.72	59.0	4.69	79.0	4.67	99.0	4.66
19.5	4.85	39.5	4.72	59.5	4.69	79.5	4.67	99.5	4.66
20.0	4.85	40.0	4.72	60.0	4.69	80.0	4.67	100.0	4.66

Penalty Relief for Certain Taxpayers Filing Returns for Taxable Years 2019 and 2020

Notice 2022-36

SECTION 1. PURPOSE

This notice provides relief for certain taxpayers from certain failure to file penalties and certain international information return (IIR) penalties with respect to tax returns for taxable years 2019 and 2020 that are filed on or before September 30, 2022. This notice also provides relief from certain information return penalties with respect to taxable year 2019 returns that were filed on or before August 1, 2020, and with respect to taxable year 2020 returns that were filed on or before August 1, 2021. The relevant penalties will be waived or, to the extent previously assessed, abated, refunded, or credited, as described in section 3.A of this notice. Situations where penalty relief does not apply are described in section 3.B of this notice.

SECTION 2. BACKGROUND

Section 6651(a)(1) of the Internal Revenue Code (Code) generally imposes an addition to tax for a failure to file (on or before the date prescribed) a tax return that is required under the authority of subchapter A of chapter 61 (other than part III regarding information returns) of the Code, including certain income tax returns.¹

Section 6038 generally imposes a penalty for the failure of certain United States persons to furnish (on or before the date prescribed) certain information with respect to a controlled foreign corporation or a controlled foreign partnership that the person owns.

Section 6038A(d) imposes a penalty on a “25-percent foreign-owned” domestic

corporation or wholly foreign-owned domestic disregarded entity for the failure to furnish (on or before the date prescribed) certain information or the failure to maintain certain records.

Section 6038C(c) imposes a penalty on a foreign corporation engaged in a U.S. trade or business for the failure to furnish (on or before the date prescribed) certain information or the failure to maintain certain records.

Section 6039F(c) imposes a penalty on a United States person for the failure to furnish (on or before the date prescribed) certain information with respect to the receipt of large gifts or bequests from foreign persons.

Section 6677 generally imposes a penalty on a United States person for the failure to file (on or before the date prescribed) a notice or return required by section 6048 with respect to transactions with, or ownership of, a foreign trust.

Section 6698(a)(1) generally imposes a penalty for the failure of any partnership to file (on or before the date prescribed) the return required under section 6031. Section 6698(a)(2) generally imposes a penalty for filing a return that fails to show the information required under section 6031.

Section 6699(a)(1) generally imposes a penalty for the failure of any S corporation (as defined in section 1361(a)(1)) to file (on or before the date prescribed) a return required under section 6037. Section 6699(a)(2) generally imposes a penalty for filing a return that fails to show the information required under section 6037.

Section 6721(a)(2)(A) generally imposes a penalty for the failure to file an information return (as defined in section 6724(d)(1)) on or before the required filing date.

The foregoing penalties do not apply if the taxpayer can show that the failure to timely file the return or to furnish the required information or to provide the required notice, as applicable, is due to reasonable cause. *See* §§ 6651(a)(1), 6038(c)(4)(B), 6038A(d)(3), 6038C(c),

6039F(c)(2), 6677(d), 6698(a) flush language, 6699(a) flush language, and 6724(a).

On March 13, 2020, the President of the United States issued an emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., in response to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic (Emergency Declaration).² The Emergency Declaration instructed the Secretary of the Treasury “to provide relief from tax deadlines to Americans who have been adversely affected by the COVID-19 emergency, as appropriate, pursuant to 26 U.S.C. 7508A(a).” In response, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) issued a series of notices and other guidance to provide relief to affected taxpayers. In particular, Notice 2020-17, 2020-15 I.R.B. 590, postponed the due date for certain Federal income tax payments from April 15, 2020, until July 15, 2020. Notice 2020-18, 2020-15 I.R.B. 590, superseded Notice 2020-17 and provided expanded relief postponing the due date for filing Federal income tax returns that were originally due on April 15, 2020, to July 15, 2020, among other things. Notice 2021-21, 2021-15 I.R.B. 986, postponed the due date for filing Federal income tax returns in the Form 1040 series and making certain Federal income tax payments that were originally due on April 15, 2021, to May 17, 2021.

Additions to tax or penalties for failure to timely file returns continued to accrue for taxpayers who did not file by the postponed due dates.

The COVID-19 pandemic has also had an unprecedented effect on the IRS’s personnel and operations. The agency was called upon to support emergency relief for taxpayers, such as distributing economic impact payments,³ while sustaining its regular operations in a pandemic environment with limited resources, where employees were sometimes unable to be physically present to process tax returns and correspondence. In response to these

¹ Unless otherwise stated, all “section” references are to provisions of the Code.

² <https://trumpwhitehouse.archives.gov/briefings-statements/letter-president-donald-j-trump-emergency-determination-stafford-act/>.

³ The IRS, in coordination with the Bureau of the Fiscal Service, issued more than 476.1 million payments through three rounds of economic impact payments, totaling more than \$814.4 billion during 2020 and 2021. IRS Data Book, 2021, Publication 55-B.

challenges, the IRS has been working aggressively to process backlogged returns and taxpayer correspondence to return to normal operations for the 2023 filing season. The Treasury Department and the IRS have determined that the penalty relief described in this notice will allow the IRS to focus its resources more effectively, as well as provide relief to taxpayers affected by the COVID-19 pandemic.

SECTION 3. GRANT OF RELIEF

A. Waiver and Abatement of Certain Penalties for Taxpayers

The IRS will not impose the penalties listed in section 3.A.(1) through (4) of this notice with respect to the specified tax returns for taxable years 2019 and 2020 that are filed on or before September 30, 2022. The penalties listed in this section 3.A of this notice will be automatically abated, refunded, or credited, as appropriate without any need for taxpayers to request this relief.

(1) Additions to tax under section 6651(a)(1) for failure to file the following income tax returns:

- Form 1040, *U.S. Individual Income Tax Return*; Form 1040-C, *U.S. Departing Alien Income Tax Return*; Form 1040-NR, *U.S. Nonresident Alien Income Tax Return*; Form 1040-NR-EZ, *U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*; Form 1040 (PR), *Federal Self-Employment Contribution Statement for Residents of Puerto Rico*; Form 1040-SR, *U.S. Tax Return for Seniors*; and Form 1040-SS, *U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)*;
- Form 1041, *U.S. Income Tax Return for Estates and Trusts*; Form 1041-N, *U.S. Income Tax Return for Electing Alaska Native Settlement Trusts*; and Form 1041-QFT, *U.S. Income Tax Return for Qualified Funeral Trusts*;
- Form 1120, *U.S. Corporation Income Tax Return*; Form 1120-C, *U.S. Income Tax Return for Cooperative Associations*; Form 1120-F, *U.S. Income Tax Return of a Foreign*

Corporation; Form 1120-FSC, *U.S. Income Tax Return of a Foreign Sales Corporation*; Form 1120-H, *U.S. Income Tax Return for Homeowners Associations*; Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; Form 1120-ND, *Return for Nuclear Decommissioning Funds and Certain Related Persons*; Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*; Form 1120-POL, *U.S. Income Tax Return for Certain Political Organizations*; Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*; and Form 1120-SF, *U.S. Income Tax Return for Settlement Funds (Under Section 468B)*;

- Form 1066, *U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return*; and
- Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation*; and Form 990-T, *Exempt Organization Business Income Tax Return (and Proxy Tax Under Section 6033(e))*.

(2) Certain penalties under sections 6038, 6038A, 6038C, 6039F and 6677 for failure to timely file the following IIRs:

- Penalties systematically assessed when a Form 5471, *Information Return of U.S. Persons With Respect To Certain Foreign Corporations*, and/or Form 5472, *Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*, is attached to a late-filed Form 1120 or Form 1065; and
- Penalties assessed by the campus assessment program with respect to filings on Form 3520, *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts*, and on Form 3520-A, *Annual Information Return of Foreign Trust With a U.S. Owner (Under section 6048(b))*.

(3) Penalties under section 6698(a)(1) for failure to timely file and under section 6698(a)(2) for failure to show the required information on a Form 1065, *U.S. Return of Partnership Income*.

(4) Penalties under section 6699(a)(1) for failure to timely file and under section 6699(a)(2) for failure to show the required information on a Form 1120-S, *U.S. Income Tax Return for an S corporation*.

In addition, the IRS will not impose the penalties under section 6721(a)(2)(A) for failure to timely file any information return (as defined in section 6724(d)(1)) that meets the following criteria:

- 2019 returns that were filed on or before August 1, 2020, with an original due date of January 31, 2020; February 28, 2020 (if filed on paper) or March 31, 2020 (if filed electronically); or March 15, 2020; or
- 2020 returns that were filed on or before August 1, 2021, with an original due date of January 31, 2021; February 28, 2021 (if filed on paper) or March 31, 2021 (if filed electronically); or March 15, 2021.

B. Exceptions

The penalty relief described in this notice does not apply to any penalties that are not specifically listed in the grant of relief under section 3.A of this notice. In addition, the penalty relief described in section 3.A of this notice is not available with respect to any return to which the penalty for fraudulent failure to file under section 6651(f) or the penalty for fraud under section 6663 applies. The penalty relief described in this notice also does not apply to any penalties in an accepted offer in compromise under section 7122 because acceptance of the offer conclusively settled all of the liabilities in the offer under § 301.7122-1(e)(5) of the Procedure and Administration Regulations. The penalty relief described in this notice does not apply to any penalty settled in a closing agreement under section 7121 or finally determined in a judicial proceeding.

SECTION 4. DRAFTING INFORMATION

The principal author of this notice is Han Huang of the Office of the Associate Chief Counsel (Procedure and Administration). For further information regarding this notice, contact Ms. Huang at (202) 317-6844 (not a toll-free number).

Part IV

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

Announcement 2022-18

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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, contributions 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 September 6, 2022 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
Concord High School Band Boosters Club	8/1/2016	Concord, CA
Amazing Gospel Souls, Inc.	1/1/2017	Washington, DC
R Peter and Barbara Fishman Supporting Foundation Inc.	7/1/2018	Atlanta, GA
AMERICAN FUNDRAISING FOUNDATION INC.	9/1/2017	MAITLAND, FL
NEW HORIZONS YOUTH RANCH INC.	1/1/2017	SEELEY LAKE, MT
Raindancer Foundation	1/1/2018	San Ramon, CA
Development Disabilities Associates, Inc.	7/1/2016	Waterford, CT
Milk Saving Starving Children	7/1/2017	Scranton, PA
CHARACTER EDUCATION AND THE ARTS	1/1/2019	SAYVILLE, NY
Asset Trader	1/1/2012	Raleigh, NC
MIAMIS RIVER OF LIFE INC	1/1/2018	OPA LOCKA, FL
SPANGENBERG FAMILY FOUNDATION TO BENEFIT CHILDRENS EDUCATION & HEALTHCARE	1/1/2018	DALLAS, TX
A Human Project	1/1/2017	Clark Fork, ID
Chevy Chase University, Ltd	1/1/2018	Chevy Chase, MD
Open Hearts And Spiritual Mind Foundation Inc.	1/1/2019	Hillside, NJ
Service to Servants Inc.	1/1/2019	Homosassa, FL
American Friends of Yeshivat Haraayon	1/1/2017	Lincolnwood, IL
Susan B Krevoy Eating Disorders Program Inc.	1/1/2018	Beverly Hills, CA
International Hunger And Homeless Charity	1/1/2017	North Las Vegas, NV
United States of America Arabian and Half Arabian National Championship	1/1/2018	Gilbert, AZ
Uphill Media Inc.	1/1/2018	Corvallis, OR
Plattduetsche Volksfest Verein	1/1/2018	Franklin SQ, NY

Section 7428(c) Validation of Certain Contributions Made During Pendency of Declaratory Judgment Proceedings

Announcement 2022-19

This announcement serves notice to potential donors that the organization listed below has recently filed a timely declaratory judgment suit under section

7428 of the Code, challenging revocation of its status as an eligible donee under section 170(c)(2).

Protection under section 7428(c) of the Code begins on the date that the notice of revocation is published in the Internal Revenue Bulletin and ends on the date on which a court first determines that an organization is not described in section 170(c)(2), as more particularly set forth in section 7428(c)(1).

In the case of individual contributors, the maximum amount of contributions protected during this period is limited to

\$1,000.00, with a husband and wife being treated as one contributor. This protection is not extended to any individual who was responsible, in whole or in part, for the acts or omissions of the organization that were the basis for the revocation. This protection also applies (but without limitation as to amount) to organizations described in section 170(c)(2) which are exempt from tax under section 501(a). If the organization ultimately prevails in its declaratory judgment suit, deductibility of contributions would be subject to the normal limitations set forth under section 170.

Name of Organization	Date Suit Filed	Effective Date of Revocation	Location
Goodcity, NFP	4/29/2022	7/1/2017	Payson, AZ

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 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—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.
FR.—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.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2021–27 through 2021–52 is in Internal Revenue Bulletin 2021–52, dated December 27, 2021.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2021–27 through 2021–52 is in Internal Revenue Bulletin 2021–52, dated December 27, 2021.

Internal Revenue Service

Washington, DC 20224

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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/.

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