

Department
of the
Treasury

Internal
Revenue
Service

Office of
Chief Counsel

Notice

[CC-2005-001]

November 29, 2004

Subject: Issue Tracking for Abusive Tax
Shelters

Cancel Date: Upon incorporation
into CCDM

PURPOSE

This Notice alerts attorneys to the existence of UIL codes for abusive tax shelters (including listed transactions). Attorneys should review their inventory of open cases to ensure that the appropriate UIL codes for abusive tax shelters have been used.

UIL CODES FOR ABUSIVE TAX SHELTERS

The Office of Chief Counsel is frequently asked to provide information regarding its involvement in the Service's effort to curb the use of abusive tax shelters. To assist the Office in tracking work items involving abusive tax shelters, specific UIL codes have been assigned to most of the identified abusive tax shelters, including a UIL for each listed transaction. Lists of these UIL codes appear below. Although most of the UIL is organized by code section, many of the abusive tax shelters have been assigned codes starting with a 9300 prefix. On an ongoing basis, field and national office attorneys should provide their CASE and CATS operators with appropriate abusive tax shelter codes for all their cases, litigation and nonlitigation. Litigation cases include bankruptcy and summons cases. Attorneys should continue to follow usual business practices for cases other than abusive tax shelter cases.

INVENTORY REVIEW

To assist in the identification of open cases involving listed transactions or other abusive transactions, attorneys should review their inventory of open cases opened on or after October 1, 2004, and provide the proper UIL numbers to CATS-TL and CASE-MIS operators for those cases involving listed transactions or other abusive transactions. This applies to both litigation and nonlitigation cases and to attorneys in both the field and in the national office.

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The review of the open inventory and entry of UIL codes should be completed by December 31, 2004. Attorneys and managers should ensure that the appropriate UIL codes are entered for all cases opened on or after October 1, 2004.

LISTED TRANSACTIONS

<u>Code Number</u>	<u>Description</u>
9300.01-00	Deductions for Contributions to Certain Employees' Trust and Defined Contribution Plans
9300.01-01	Deductions for Contributions to 401(k) or Defined Contribution Plans during Grace Period, Related Change of Accounting Adjustments, and Penalties
9300.02-00	Voluntary Employee Beneficiary Association (VEBA)
9300.03-00	Lease Strips
9300.04-00	Abusive Foreign Tax Credit Transactions (ADR)
9300.05-00	Contingent Installment Note Sales (CINs)
9300.06-00	Abusive Charitable Remainder Trusts (Chutzpah Trusts)
9300.07-00	Lease-In/Lease-Out (LILOs)
9300.10-00	Corporate Distributions of Encumbered Property (referred to as BOSS)
9300.11-00	Step Down Preferred/Fast Pay Stock
9300.12-00	Debt Straddles
9300.13-00	Partnership Transactions involving Artificially High Basis (Son of BOSS)
9300.14-00	Corporate Stock Compensation Transactions
9300.15-00	Guam Resident Trust
9300.16-00	Intermediary Transactions
9300.17-00	Contingent Liability
9300.18-00	Basis Shifting Transactions
9300.19-00	Tax Avoidance using Inflated Basis through Assumption of Liability
9300.20-00	Notional Principal Contracts Generating Current Deductions
9300.21-00	Tiered Partnership Straddle
9300.22-00	S Corporation Straddle Loss Pass Through
9300.23-00	Deferred Contribution Plan with Amendment to Accelerate Deductions
9300.25-00	Prohibited Allocations of Employer Securities in an S Corporation
9300.26-00	Offshore Deferred Compensation Arrangements
9300.27-00	Certain Trust Arrangements Seeking to Qualify for Exception for Collectively Bargained Welfare Benefit Funds
9300.28-00	Transfers of Compensatory Stock Options to Related Persons
9300.29-00	Common Trust Fund Straddle Tax Shelter
9300.30-00	Contested Liabilities
9300.31-00	Offsetting Foreign Currency Option Contracts
9300.32-00	Contributions to Roth IRA
9300.33-00	S Corporation ESOP
9300.34-00	Pension Plans Involving Insurance Policies with Excess Benefits
9300.35-00	Foreign Tax Credits Intermediary Transactions
9300.36-00	S Corporation Tax Shelter Involving Shifting Income to Tax Exempt Organization Using Non-Voting Stock & Warrants
9300.37-00	Intercompany Financing Through Partnerships using Guaranteed Payments
9300.38-00	Sale-In/Lease-Out (SILOs)
9300.99-00	Other Tax Shelters
9300.99-01	Foreign Sales Corporations – Advance Payment Transactions

