

- 2 4006 In the last sentence, replace "January 1, 1998" with **"for taxable years beginning after December 31, 1998"**.
- 2 4041 Delete the "s" from the second word, "organizations", to make singular.
- 2 5405 1. In the section title, replace "FUTA" with **'Unemployment Tax'**.
2. Replace the entire first paragraph with:
- “Compensation paid to an election worker or official is not subject to state unemployment compensation tax if total annual wages received for the services are less than \$1,000.”.**
- 3 5406 Replace the entire first paragraph with:
- Amounts paid for services performed by inmates of a penal institution are not subject to FUTA taxes. In addition, inmates are ineligible from claiming unemployment benefits based on compensation for services performed while an inmate of a penal institution.**
- 5 101(Con't) 1. Under the sub-section "Amount of Credit Allowed" (that began on page 4):
- A. In bullet #1, after the words "nonrefundable credit", and before the comma, insert **"limit (regular tax liability minus tentative minimum tax liability)"**.
- B. In bullet #2, insert a comma after the words "self-employment taxes" and before the word "minus".
- C. In the last sentence of the sub-section, replace each of the two words "limit" with **"calculated"**.
2. Under the sub-section "Supplemental Child Tax Credit":
- A. Delete the word "Tax" from the sub-section title.
- B. In bullet #1, delete the words "of the taxpayer's child tax credit"
- C. In bullet #2:
- 1) Delete the words "of the taxpayer's child tax credit".
- 2) After the word "using", insert **"only item 2. of"**.

- 5(Con't) 3. In the last paragraph:
- A. Replace the words "If the credit under method 1 is greater than method 2" with the new sentence "**Subtract 2 from 1.**"
 - B. Capitalize the "t" in the next word "the" to create a new sentence.
 - C. Replace the words "treated as" with "**the**".
 - D. Delete the word "tax" from the two phrases "supplemental child tax credit".
 - E. After the word "allowed":
 - 1) Replace the comma with a period.
 - 2) Replace the next word "but" with "**It**" to create a new sentence.
- 5 969 In the first paragraph, insert "**certain**" before the word "food".
- 6 969(Con't) 1. Under the sub-section "Affected Transportation Employees":
- A. In the first employee bullet, insert "**air transportation**" after the word "certain".
 - B. In the third employee bullet, delete the words "subject to Federal Railroad Administration regulations".
- 6 1085 Under the sub-section "Denial of EIC":
- 1. In the first sentence, delete the words and comma "Beginning with the 1997 return," and capitalize the next word "a".
 - 2. Add the following sentence as a new second paragraph:
"Effective for final determinations made with respect to tax years beginning after December 31, 1996."
- 7 1085(Con't) 1. Under the sub-section "Recertification After Denial of EIC":
- A. Replace the first word of the title, "Recertification" with "**Eligibility Requirements**".

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B. In the first sentence, delete "Beginning with the 1997 return," and capitalize the next word "if".

C. In the second sentence, replace the words "be recertified" with "**establish eligibility**".

D. In the fourth (last) sentence, replace the beginning words "Recertification is not required" with "**Eligibility requirements do not apply**".

E. Add the following as a second paragraph:

"Effective for denials made with respect to taxable years beginning after December 31, 1996."

2. Under the sub-section "Definition of Modified AGI Used to Phaseout EIC", separate the word "Phaseout" in the title into two words, "**Phase**" and **out**".

3. Under the sub-section "Treatment of Workfare Payments":

A. In the first sentence:

1) Delete the comma after the word "income".

2) Delete the word "solely".

3) Delete the comma after the letters "EIC".

B. In the second sentence:

1) Replace the words "received for work activities (including work to remodel or repair public housing)" with "**identified in section 407(d) of the Social Security Act (42 U.S.C. § 607(d) as either (1) work experience (including work associated with the refurbishing of publicly assisted housing)**".

2) After the word "available", insert a comma ",".

3) After the word "and", insert the number 2 surrounded by parentheses "**(2)**".

4) Add the letter "s" to the word "program" to make plural.

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5) Delete the last word, "activities".

10 1282

1. In the first sentence, insert "**the mailing of a notice of**" before the last word "deficiency".

2. In the second sentence:

A. Replace the word "receive" with "**are mailed**".

B. Replace the last three words "return is due" with "**due date of the return, with extensions**".

18 203

Replace the last seven words of the first sentence, "or a child or grandchild of either", and the entire second sentence with:

"or the child or grandchild of either. The 10 percent early withdrawal tax does not apply to an IRA withdrawal to the extent that the amount of the withdrawal does not exceed the student's qualified higher education expenses during the taxable year. "Qualified higher education expenses" include tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the designated beneficiary at an eligible educational institution. Qualified higher education expenses also include room and board if the student is enrolled at least on a half-time basis."

18 213

1. In the first paragraph, second sentence:

A. Delete the words "is a new type of IRA".

B. Insert "**the qualified higher**" after the word "pay".

C. Replace the word "named" with "**designated**".

2. In the second paragraph (which continues on to page 19):

A. Replace the first two sentences with:

"Contributions are not deductible but earnings on the contributions accumulate tax-free until distributed. In addition, the distribution will be tax-free to the extent such distribution does not exceed the qualified higher education expenses of the designated beneficiary. "Qualified higher education expenses" include tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the designated

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beneficiary at an eligible educational institution. Qualified higher education expenses also include room and board if the student is enrolled at least on a half-time basis."

B. In the last sentence, after the first word "If", insert "**amounts in an educational IRA are**".

3. In the third paragraph, first sentence:

A. After the second word "maximum" insert "**amount that**".

B. Delete the letters "al" from the word "educational".

C. After the word "out", insert "**for taxpayers with adjusted gross income**".

D. After the word "between", delete the words "adjusted gross income of".

E. After the amount "\$110,000", delete the words "for a single taxpayer and between".

F. Insert a left hand parenthesis "(" before the amount "\$150,000".

G. Delete the word "a" before the word "married".

H. Add the letter "s" to the next word "taxpayer" to make plural.

I. Insert after the corrected word "taxpayers", "**filing a joint return**)".

19 221

In the first sentence, replace the words "after June 30, 1997 and May 31, 2000" with "**before June 1, 2000**".

22 301

1. In the first paragraph, second sentence after the word "to", insert "**, and files jointly with,**".

2. Under the sub-section "Active Participant Status Modified", replace the first paragraph (above the chart) with:

"For active participants, contributions are fully deductible if the taxpayer's AGI is below the applicable dollar amount. Contributions are partially deductible if the taxpayer's AGI is between the dollar amounts listed below. No deduction is permitted if the taxpayer's AGI exceeds the upper threshold of the dollar amounts listed below. The deductible IRA phase-out is as follows:"

- 22 302 1. In the third bullet (at the bottom of the page):
- A. Replace the words "requirement that distributions commence at age 70 ½" with "**required distribution rules**".
 - B. Change the next word "does" to "**do**".
 - C. After the word "apply", insert "**before death**".
- 23 302(Con't) 1. In the last sentence of the first paragraph on the page (after the bullet):
- A. Insert "**taxable**" after each of the two words "five".
 - B. Insert "**taxable year in which the**" before the word "first".
 - C. Insert "**taxable**" before the word "year" and "**in which**" after the same word 'year'.
2. In the first sentence of the second paragraph:
- A. Replace the second "earnings" word (before the word "would") with "**the distribution**".
 - B. After the word "distributed", insert "**, when added to all previous distributions,**".
- 23 303 In the first sentence, replace the word "home" with "**principal residence**".
- 23 304 In the first paragraph:
- 1. Insert "**certain**" before the word "gold".
 - 2. Insert "**that**" after the word "provided".
- 24 914 In the second paragraph, first sentence:
- 1. Replace the words "loans financed with qualified mortgage bonds" with "**residences located**".
 - 2. Replace the word "both" with "**the**".
 - 3. Delete the words "limits for first-time home buyers".

- 25(Con't) 4. Replace the last word "waived" with "eased".
- 25 915 Replace the entire narrative with:

"The IRS is required to abate interest for any period for which the Secretary extends the time to file and the time to pay (and waives penalties relating to failure to file and pay) for any individual located in a Presidentially declared disaster area in 1997."
- 25 921 1. In the section title, replace "Security Brokers" with "**Securities Registered Representatives**".

2. Replace the entire narrative with:

**"No weight is to be given to instructions imposed only in compliance with governmental investor protection standards when determining the federal tax status of registered representatives of securities broker-dealers.

Effective for services performed after December 31, 1997."**
- 25 922 1. In the section title, insert an apostrophe after the word "Agents".

2. Replace the entire narrative with:

"Payments received after December 31, 1997, by a former insurance agent are not subject to tax under the Self-Employment Contributions Act (SECA) if:

- payments are received after termination of the service agreement;

- the agent performs no services after termination and before the close of the tax year;

- the agent agrees not to compete with the company for at least one year after termination;

- the amount of the payments depends primarily on the policies sold by or credited to the agent's account during the final year of the agreement, and/or to the extent such policies remain in effect after termination; and

- the amount of the payments does not depend on length of service or overall earnings with the company (though eligibility for payments may be based on length of service)."

- 27 976 In the first sentence, delete the last nine words "on one form of certain items common to both".
- 27 801 In the first sentence:
1. Insert a left parenthesis "(" before the word "Aid".
 2. Delete the comma "," after the word "Children".
 3. Insert a right parenthesis ")" after the word "program".
- 28 801(Con't) In the last bullet:
1. Replace the words "are no longer" with "**ceased to be**".
 2. Insert after the word "law", "**if hired within two years after eligibility ceased**".
- 28 931 In the last sentence, replace the word "paid" with "**deposited**".
- 28 932
1. In the second paragraph, insert "**generally**" after the word "deduction".
 2. In bullet #1, insert "**by the taxpayer**" after the word "used".
- 29 933
1. In the first sentence, replace the beginning words "A taxpayer that is in the trade or business of farming" with "**An individual who**".
 2. In the second sentence, replace the second word "taxpayer" with "**individual**".
- 30 933 (Con't)
1. In the paragraph beginning with "If":
 - A. In the first sentence, replace the third word "taxpayer" with "**Individual**".
 - B. In the second sentence, replace the word "for:" and the three bullets with "**to an estate or trust, or for the purposes of the employment taxes or the alternative minimum tax.**".
 2. In the next paragraph (beginning with "A taxpayer"):
 - A. Replace the first two words "A taxpayer" with "**The individual**".
 - B. After the word "taxpayer", insert a colon ":".

- 30(Con't) C. Replace the next word "including" with "**for example, the parents of**".
- D. After the last word "parents", insert "**do not recalculate the child's "Kiddie Tax"**".
- 38 1212 At the end of the first paragraph, replace "§ 843(b)" with "**§ 834(b)**".
- 47 1231 1. In the first paragraph, delete all words after "The Munro decision," and replace with:
- "which required the IRS to ignore partnership items in computing a partner's deficiency with respect to nonpartnership items, is overruled, in an "oversheltered" context."**
2. In the second paragraph, delete the first nine words (before "deficiencies") and replace with:
- "When a partner's return is oversheltered, the IRS is allowed to compute"**.
- 48 1233 1. Under the sub-section "Untimely Filed Petition", in the second paragraph, first sentence, delete the last two words "or valid".
2. Under the sub-section "Bankruptcy Proceedings", in the first sentence of the first paragraph, replace the words "during such period" (after the word "suspended") with "**for the period of the bankruptcy stay**".
- 49 1233(Con't) 1. At the end of the first paragraph on the top of the page, insert two new sentences:
- "Under a 1995 change to the Bankruptcy Code, the Service is generally not stayed from making an assessment during the pendency of the bankruptcy proceeding. Hence careful attention to whether there is a bankruptcy stay in effect is necessary in monitoring assessment dates."**
2. Under the sub-section "Bankruptcy Tax Matters Partner", last paragraph, replace the words "all cases where the period of limitations has not expired under present law as of" with "**agreements entered into after**".
- 52 1011 In bullet #3, replace each of the two phrases "before August 5, 1997" with "**on May 3, 1995 (or if relevant, September 13, 1995)**".
- 53 1012 1. In the sub-section "Corporate Level Gain on Distribution Involving Change of Corporation", replace the last word in the title "Corporation" with "**Control**".

- 53(Con't) 2. In the fourth bullet, replace the last two words "corporation's shareholders" with "**corporation**".
3. Replace the fifth bullet with:
- "- acquisitions by persons who directly or indirectly owned 50 percent control of the acquired corporation before the distribution; and".**
- 54 1012(Con't) 1. In the first sentence of the last paragraph under the continued sub-section "Corporate Level Gain on Distribution Involving Change of Control" replace the word "and" (that appears after the word "Distributing") with "**or**".
2. Under the sub-section "Control Requirement for "D" Reorgs and Section 351 Exchanges", relocate the last two words "is amended" to after the word "transactions".
- 55 1013 1. In the first sentence, insert "**treated**" before the word "either".
2. In the fourth bullet, insert "**by**" after the word "owned".
- 56 1014 Under the sub-section "Nonqualified Preferred Stock":
1. In the third bullet, insert "**or**" at the end (after the semicolon).
2. After the fourth bullet, insert "**Provided:**" on a separate line above the fifth bullet.
- 57 1014(Con't) 1. After the second bullet, insert a horizontal line to indicate the end of the continued sub-section "Nonqualified Preferred Stock".
2. Insert in the left margin a new sub-section title "**Reorganizations**" to the left of the sentence that begins "Reorganization exchanges...".
3. After the fourth bullet under the new sub-section "Reorganizations", insert a horizontal line to indicate the end of the new sub-section.
4. Insert in the left margin a new sub-section title "**Section 351**" to the left of the sentence that begins "Although nonqualified...".
5. After the sentence that begins "Although nonqualified...", insert a horizontal line to indicate the end of the new sub-section "Section 351".
6. Insert in the left margin a new sub-section title "**Effective Date**" to the left of the sentence that begins "Effective for...".

- 58 1015 In the second bullet, replace "§ 264(c)(4)" with "**§ 246(c)(4)**".
- 76 1053 1. In the first sentence, replace the final eight words "with regard to the stock which the dividend" with "**for a shareholder to be eligible for a foreign tax credit related to a dividend paid on stock**".
2. In the last sentence of the second paragraph:
- A. Insert "**minimum**" before the second word "holding".
- B. Delete the words "for preferred stock" (after the word "period").
- 76 1054 At the bottom of the page, after the third bullet, insert a new second paragraph:
- "In addition, the Secretary has regulatory authority to deny treaty benefits to hybrid entities or taxpayers deriving income through hybrid entities as may be necessary or appropriate in situations not described above. See §1.894-1T(d)."**
- 77 1056 Delete the entire second paragraph.
- 78 1101 1. In the first sentence:
- A. insert a dollar sign "\$" after the left parenthesis "(", before the number "600".
- B. Replace the Form number "1118" with "**1116**".
2. In the second sentence:
- A. Before the word "foreign", insert "**individuals who have no**".
- B. After the same word "foreign", insert "**source income other than**".
- 78 1102 1. In the first paragraph, replace the words "taxes paid between U. S. and foreign taxes" with "**accrued foreign taxes to U. S. dollars**".
2. In the second paragraph:
- A. Before the third word "amount", insert "**U. S. dollar equivalent of the**".
- B. Before the ninth word "amount", insert "**average exchange rate**".

- 78 1103 In the first sentence:
1. Before the word "limitation", insert "**credit**".
 2. After the word "regular", insert "**taxable**".
- 79 1105
1. In the first sentence:
 - A. Replace the word "are" with "**will**".
 - B. Insert "**be**" after the word "longer".
 2. In the second sentence:
 - A. Insert "**after 12/31/02**" after the word "companies".
 - B. Replace the date "1-1-03" with "**1/1/03**".
 3. In the third sentence:
 - A. Insert "**after 12/31/02**" after the word "companies".
 - B. Replace the date "12-31-02" with "**12/31/02**".
 4. In the last sentence (the effective date), replace the year "2001" with "**2002**".
- 81 1131
1. In the first sentence:
 - A. Replace the word "is" with "**are**".
 - B. After the last word "repealed", insert a comma and the words "**, effective August 5, 1997**".
 2. In the first bullet, delete the word "to" before the word "recognized".
 3. In the third bullet:
 - A. In the first sentence:
 - 1) Replace the second word "transfer" with "**contribution**".
 - 2) Delete the words "corporation or" in the middle of the sentence.

- 81(Con't) 3) Delete the words "to such a transfer" at the end of the sentence.
- B. In the second sentence:
- 1) Replace the second word "transfer" with "**contribution**".
 - 2) Insert "**of**" after the word "exchange".
 - 3) Delete the word "to" before the word "recognized".
- C. In the last sentence, after the first word "Effective", insert "**for transfers made after**".
- 81 1141 In the last sentence, after the first word "Effective", insert "**for taxable years beginning after**".
- 81 1142 In the first sentence:
1. After the second word "rules", insert "**similar to those now**".
 2. Delete the sixth word "controlled".
 3. After the word "corporations" delete the words "under present law".
 4. After the word "will" delete the word "now".
- 82 1142(Con't) 1. In the first full paragraph beginning with the word "Similar":
- A. Replace the word "are" with "**may be**".
 - B. Delete "more than" from before the second "10 percent".
 - C. Insert "**or more**" after the second "10 percent".
2. In the next paragraph (beginning with "A \$10,000):
- A. Insert in the second sentence "**up**" after the word "of".
 - B. Delete "of the Treasury" from the end of the second sentence.

- 82 1143
1. In the second paragraph:
 - A. Insert "**equivalent to at least a**" before the number "10".
 - B. Delete "**or more**" after the word "percent".
 2. In the last sentence (beginning with the word "Effective") insert "**and changes**" after the word "transfers".
- 82 1144
1. Replace the entire first paragraph with:

"A U. S. person who contributes property to a foreign partnership must report the transfer under section 6038B which also applies to the reporting of transfers to foreign corporations."
 2. In the second paragraph, after the word "requirements", insert "**for a transfer to a foreign partnership**".
 3. In the second bullet, after the word "partnership", insert "**by the transferor or a related person**".
 4. In the third paragraph:
 - A. Delete the "s" from the word "requirements" to make singular.
 - B. After the last word "transferred" insert "**and will cause recognition of the built-in gain on the contributed property**".
- 83 1145
- In the last sentence, after the first word "Effective", insert "**for information due to be reported after**".
- 83 1146
- In the last sentence, after the first word "Effective", replace the words "for tax years beginning after December 31, 1997" with "**January 1, 1998**".
- 83 1151
1. In the first paragraph, delete the entire second sentence (which begins with the word "Regulations").
 2. In the last sentence (beginning with the word "Effective"):
 - A. After the word ""after", delete the words "regulations are filed with the Federal Register or".

- 91 1508 Replace the entire first paragraph with:
- “Section 4972, which imposes a 10-percent excise tax on employers for nondeductible retirement plan contributions, is amended so that the excise tax does not apply to contributions that are nondeductible solely because of the combined limit on defined benefit plan and defined contribution plan contributions, and that do not exceed the amount of matching contributions and section 401(k) elective deferrals made under the plan.”.**
- 91 1509 In the first sentence, replace the words "favorable written opinion" with "**determination letter**".
- 91 1510 In the first sentence, before the word "requirements", insert "**notice, election, consent, disclosure, and time**".
- 92 1523 Replace the entire first paragraph with:
- " The Act provides that IRC section 512(e), which treats certain items as unrelated business taxable income, shall not apply with respect to employer securities held by an ESOP maintained by a subchapter S corporation."**
- 92 1524 In the first paragraph, first sentence, replace the words "real estate leased to the employer" with "**employer real property**".
- 93 1526 In the first paragraph:
1. In the first sentence, delete the hyphen "-" between the words "government-employee's".
 2. In the second sentence:
 - A. After the word "Federal", insert "**government**".
 - B. Before the word "State", insert "**with a**".
- 94 1530 1. In the third sentence:
 - A. After the date "January 1, 1999", replace the word "who" with "**whose family members**".
 - B. Replace the last two words "employer's securities" with "**value of the employer's stock**".

- 94 1541 In the first sentence, after the word “required”, insert “**until immediately**”.
- 96 603 1. In the first paragraph, last sentence, replace the word "local" with "**State**".
2. Under the sub-section "Targeted Groups":
- A. In bullet number 1, relocate the comma and last four words ", or successor program payments" to after the letters "AFDC".
- B. In bullet number 8:
- 1) delete the word "Social".
- 2) Insert the word "**income**" after the word "security".
- 3) Relocate the word "benefits" from before the letters "(SSI)" to after the letters "(SSI)".
- 4) Delete the words "who collected benefits".
- 5) After the last word "hired", insert the words "**for individuals beginning work after September 30, 1997**".
- 97 603(Con't) 1. Under the sub-section "WOC Wage Credit Rates", the dates and amounts under the second and third columns should align with their respective headings.
2. Under the sub-section "Effective Date", replace the year "1996" with "**1997**".
- 98 701 1. In the first sentence:
- A. Insert the word "**an**" after the word "as".
- B. Delete the letter “s” from the word “zones”.
- C. Add the letter "s" to the word "allow" to make plural.
2. Under the sub-section "Wage Credit", in the second sentence, insert the word "**to**" after the word "apply".
- 101 954 Near the end of the first paragraph, replace the word "medium" with "**median**".

- 104 1001 **NOTE: This next change (#1) applies only if changes were made following the first errata sheet. If not, please ignore.**
1. On the top of the page, before the sub-section "Market to Market", before the word "after" (before "August 5, 1997") delete "on or".
 2. Move the sub-section title "Market to Market" down one paragraph, to the one which begins with "Traders".
 3. Insert a horizontal line above the new beginning to the sub-section "Market to Market".
 4. In the paragraph beginning with the word "Traders":
 - A. In the first sentence:
 - 1) Delete the second and third words "and dealers".
 - 2) Before the word "commodities" insert "**traders and dealers**".
 - B. In the second sentence, insert at the end of the second, third, fourth, fifth, sixth, and ninth bullets "**with respect to a commodity**".
- 105 1001(Con't)
1. In the second to last paragraph (before section 1002), after the last word "period", insert "**,beginning with the year of change**".
 2. In the last paragraph (before section 1002), delete the words "within 30 days of August 5, 1997 identified".
- 105 1002
1. In the tenth, eleventh, and twelfth bullets, add an "s" to the word "interest" to make plural.
 2. In the thirteenth bullet, replace the word "any" with "**certain**".
- 106 1003
1. Under the sub-section "Character of Gain on Retirement of Debt Obligations Issued by Natural Persons", replace the entire paragraph with:

"The retirement of a debt instrument issued by a natural person after June 8, 1997, now qualifies for exchange treatment. The retirement of a debt instrument issued by a natural person before June 9, 1997, or a debt instrument issued by a noncorporate or nongovernmental taxpayer before July 2, 1982, also qualifies for exchange treatment if the instrument is purchased after June 8, 1997."

<u>Page</u>	<u>Section</u>	<u>Act</u> <u>Corrections / Changes</u>
113	1443	In the first paragraph, replace the words "of debt service yield on private activity bonds" with " on debt service yield restriction ".
114	1444	In the first paragraph, after the word "financing", insert " temporary period rules ".
114	1453	In the first paragraph, second sentence: <ol style="list-style-type: none"> 1. Replace the word "one" with "separate". 2. Add the letter "s" to the word "individual" to make plural.
114	1454	In the first sentence: <ol style="list-style-type: none"> 1. After the word "involving", insert the word "IRS". 2. After the word "determinations", insert ", made". 3. After the word "examination", insert a comma ",". 4. Replace the words "of taxpayers when" with "that".
115	1531	In the second paragraph, second sentence, delete the word "after" (before the word "September").
116	1601(Cont)	<ol style="list-style-type: none"> 1. Under the sub-section "Treatment of Qualified Subchapter S Subsidiaries", replace the word "where" with "when". 2. Under the sub-section "Salary Reduction Simplified Employee Pensions": <ol style="list-style-type: none"> A. Before the word "SARSEP", replace the letter "s" with "a". B. After the word "SARSEP", replace the word "of" with "that". 3. Under the sub-section "SIMPLE Retirement Plans": <ol style="list-style-type: none"> A. In the fourth paragraph: <ol style="list-style-type: none"> 1) After the first word "A", insert "SIMPLE". 2) Delete the parentheses and words "(a "SIMPLE 401(k) plan)".

- 116(Con't) B. Replace the entire fifth paragraph with:
- "The limit on deductible contributions made by an employer to a SIMPLE §401(k) plan is increased to the amount such employer is required to contribute under the terms of the plan; and".**
- 117 1601(Con't) 1. Under the sub-section "Self-Employed Ministers" insert a dash "-" between the words "self" and "employed".
2. Under the sub-section "FASIT' Technical Corrections", in the second sentence, replace the letter "L" in the second and third code sections, "§ 860L", with the capital letter "I".
3. Under the sub-section "Qualified State Tuition Plans":
- A. In the title, replace the word "Plans" with "**Programs**".
- B. Replace the entire narrative (which continues onto page 118) with:
- "If a State Program under which a person may purchase tuition credits or certificates or make contributions on behalf of a designated beneficiary comes into compliance with the requirements of a "qualified State tuition program", then the program will be treated as a qualified State tuition program with respect to contributions and earnings allocable to such contributions pursuant to contracts entered into under the program before the first date on which the program meets the requirements."**
- 118 1601(Con't) Under the sub-section "Phaseout of Adoption Assistance Exclusion", delete the last four words "for qualified adoption expenses".
- 119 1602(Con't) Under the sub-section "Period for Applying Interest Rate for a Variable Rate Contract Under COLI Rules", insert "**election**" after the third word "period".
- 120 1604 Under the sub-section "Correction of GATT Interest and Mortality Rate in the Retirement Protection Act":
1. After the number "§ 415(b)(2)(E)", delete the next six words "made with respect to benefits accrued".
2. Before the word "benefits", delete the word "such".
3. After the word "benefits", add "**accrued before such earlier date**".