

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.

INCOME TAX

T.D. 9584, page 900.

Final regulations under section 6049 of the Code provide guidance regarding the reporting requirements for interest paid to the U.S. accounts of certain nonresident alien individuals. The reporting required by these final regulations will support the U.S. government's efforts to combat offshore tax evasion.

Notice 2012-31, page 906.

This notice describes and requests comments on several approaches for determining whether health coverage under an eligible employer-sponsored plan provides minimum value for purposes of sections 36B and 4980H of the Code.

Notice 2012-32, page 910.

This notice requests comments on information reporting under section 6055 of the Code by health insurance issuers, government agencies, employers that sponsor self-insured plans, and other persons that provide minimum essential coverage to an individual.

Notice 2012-33, page 912.

This notice invites comments on reporting under section 6056 of the Code by applicable large employers (as defined in section 4980H(c)(2)) that are subject to section 4980H. Section 6056 requires reporting of certain information on employer-provided health care coverage provided on or after January 1, 2014. The notice also advises the public that the Treasury and IRS intend to propose regulations implementing section 6056 and invites comments on issues arising under section 6056, including on possible approaches for coordinating and minimizing duplication between the information required to be reported and furnished by employers under section 6056 and information re-

quired to be reported and/or furnished by employers or other persons under other applicable Code provisions.

Rev. Proc. 2012-24, page 913.

This procedure provides guidance for implementing final regulations under section 6049 of the Code. The procedure contains two lists of countries with which the IRS has an income tax or other convention or bilateral agreement relating to the exchange of information for tax administration purposes.

Rev. Proc. 2012-26, page 933.

This procedure provides the 2013 inflation adjusted amounts for Health Savings Accounts (HSAs) under section 223 of the Code.

EMPLOYEE PLANS

Notice 2012-31, page 906.

This notice describes and requests comments on several approaches for determining whether health coverage under an eligible employer-sponsored plan provides minimum value for purposes of sections 36B and 4980H of the Code.

EXEMPT ORGANIZATIONS

Announcement 2012-19, page 934.

This announcement makes it optional for Form 990 filers for Tax Year 2011 to report their interests in the income, expenses, and assets of partnerships using information from Schedule K-1 of Form 1065, as opposed to using their books and records.

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Finding Lists begin on page ii.



ADMINISTRATIVE

T.D. 9584, page 900.

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Rev. Proc. 2012-25, page 914.

This procedure provides issuers of qualified mortgage bonds (QMBs) and qualified mortgage credit certificates (MCCs) with average area purchase price safe harbors for statistical areas in the United States and with a nationwide average purchase price for residences in the United States for purposes of the QMB rules under section 143 of the Code and the MCC rules under section 25. Rev. Proc. 2011-23 obsoleted in part.

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and en-

force 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 and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are compiled semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

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.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 6049.—Returns Regarding Payments of Interest

26 CFR 1.6049-4: Return of information as to interest paid and original issue discount includible in gross income after December 31, 1982.

T.D. 9584

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 1 and 31

Guidance on Reporting Interest Paid to Nonresident Aliens

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final Regulations.

SUMMARY: This document contains final regulations regarding the reporting requirements for interest that relates to deposits maintained at U.S. offices of certain financial institutions and is paid to certain nonresident alien individuals. These regulations will affect commercial banks, savings institutions, credit unions, securities brokerages, and insurance companies that pay interest on deposits.

DATES: *Effective Date:* These regulations are effective April 19, 2012.

Applicability Date: These regulations apply to payments of interest made on or after January 1, 2013.

FOR FURTHER INFORMATION CONTACT: Kathryn Holman, (202) 622-3840 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in these final regulations has been reviewed and approved by the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under

control number 1545-1725. The collection of information in these proposed regulations is in §1.6049-4(b)(5)(i) and §1.6049-6(e)(4)(i) and (ii). The collection of information is mandatory and the respondents are commercial banks, savings institutions, credit unions, securities brokerages, and insurance companies that maintain deposit accounts for nonresident alien individuals.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Information collected under these regulations will be return information as defined in 26 U.S.C. 6103. Tax returns and return information are confidential as required by 26 U.S.C. 6103.

Background

On January 7, 2011, the Treasury Department and the IRS published a notice of proposed rulemaking (REG-146097-09, 2011-8 I.R.B. 516) (the 2011 proposed regulations) in the **Federal Register** (76 FR 1105, corrected by 76 FR 2852, 76 FR 20595, and 76 FR 22064) under section 6049 of the Internal Revenue Code (Code). The 2011 proposed regulations withdrew proposed regulations that had been issued on August 2, 2002 (67 FR 50386) (the 2002 proposed regulations). The 2002 proposed regulations would have required reporting of interest payments to nonresident alien individuals that are residents of certain specified countries. The 2011 proposed regulations provide that payments of interest aggregating \$10 or more on a deposit maintained at a U.S. office of a financial institution and paid to any nonresident alien individual are subject to information reporting.

Written comments were received by the Treasury Department and the IRS in response to the 2011 proposed regulations. A public hearing on the 2011 proposed regulations was held on

May 18, 2011, at which further comments were received. All comments were considered and are available for public inspection at <http://www.regulations.gov> or upon request. After consideration of the written comments and the comments provided at the public hearing, the 2011 proposed regulations are adopted as revised by this Treasury decision.

Explanation and Summary of Comments

Objectives of This Regulatory Action

The reporting required by these regulations is essential to the U.S. Government's efforts to combat offshore tax evasion for several reasons. First, it ensures that the IRS can, in appropriate circumstances, exchange information relating to tax enforcement with other jurisdictions. In order to ensure that U.S. taxpayers cannot evade U.S. tax by hiding income and assets offshore, the United States must be able to obtain information from other countries regarding income earned and assets held in those countries by U.S. taxpayers. Under present law, the measures available to assist the United States in obtaining this information include both treaty relationships and statutory provisions. The effectiveness of these measures depends significantly, however, on the United States' ability to reciprocate.

The United States has constructed an expansive network of international agreements, including income tax or other conventions and bilateral agreements relating to the exchange of tax information (collectively referred to as information exchange agreements), which provide for the exchange of information related to tax enforcement under appropriate circumstances. These information exchange relationships are based on cooperation and reciprocity. A jurisdiction's willingness to share information with the IRS to combat offshore tax evasion by U.S. taxpayers depends, in large part, on the ability of the IRS to exchange information that will assist that jurisdiction in combating offshore tax evasion by its own residents. These regulations, by requiring reporting of deposit interest to the IRS, will ensure

that the IRS is in a position to exchange such information reciprocally with a treaty partner when it is appropriate to do so.

Second, in 2010, Congress supplemented the established network of information exchange agreements by enacting, as part of the Hiring Incentives to Restore Employment Act of 2010 (Public Law 111–147), provisions commonly known as the Foreign Account Tax Compliance Act (FATCA) that require overseas financial institutions to identify U.S. accounts and report information (including interest payments) about those accounts to the IRS. In many cases, however, the implementation of FATCA will require the cooperation of foreign governments in order to overcome legal impediments to reporting by their resident financial institutions. Like the United States, those foreign governments are keenly interested in addressing offshore tax evasion by their own residents and need tax information from other jurisdictions, including the United States, to support their efforts. These regulations will facilitate intergovernmental cooperation on FATCA implementation by better enabling the IRS, in appropriate circumstances, to reciprocate by exchanging information with foreign governments for tax administration purposes.

Finally, the reporting of information required by these regulations will also directly enhance U.S. tax compliance by making it more difficult for U.S. taxpayers with U.S. deposits to falsely claim to be nonresidents in order to avoid U.S. taxation on their deposit interest income.

International Standard for Transparency and Information Exchange

Under the international standard for transparency and exchange of information, which is reflected in the Organisation for Economic Cooperation and Development (OECD) Model Agreement on Exchange of Information on Tax Matters, the OECD Model Tax Convention, and the United Nations Model Double Tax Convention between Developed and Developing Countries, exchange of tax information cannot be limited by domestic bank secrecy laws or the absence of a specific domestic tax interest in the information to be exchanged. Accordingly, under this global standard a country cannot refuse to share tax information based on domestic

laws that do not require banks to share the information. In addition, under the global standard, a country cannot opt out of information exchange based on the fact that the country does not itself need the information to enforce its own tax rules. Thus, even countries that do not impose income taxes, and therefore do not have tax enforcement concerns, have entered into information exchange agreements to provide information about the accounts of nonresidents.

Comments Regarding Confidentiality and Improper Use of Information

Some comments on the 2011 proposed regulations expressed concerns that the information required to be reported under those regulations might be misused. For example, comments expressed concern that deposit interest information may be shared with a country that does not have laws in place to protect the confidentiality of the information exchanged or that would use the information for purposes other than the enforcement of its tax laws. These comments further suggested that these concerns could affect nonresident alien investors' decisions about the location of their deposits.

The Treasury Department and the IRS believe that the concerns raised by the comments are addressed by existing legal limitations and administrative safeguards governing tax information exchange. As discussed herein, information reported pursuant to these regulations will be exchanged only with foreign governments with which the United States has an agreement providing for the exchange and when certain additional requirements are satisfied. Even when such an agreement exists, the IRS is not compelled to exchange information, including information collected pursuant to these regulations, if there is concern regarding the use of the information or other factors exist that would make exchange inappropriate.

First, information reported pursuant to these regulations is return information under section 6103. Section 6103 imposes strict confidentiality rules with respect to all return information. Moreover, section 6103(k)(4) allows the IRS to exchange return information with a foreign government only to the extent provided in, and subject to the terms and conditions of an

information exchange agreement. Thus, the IRS can share the information reported under these regulations only with foreign governments with which the United States has an information exchange agreement. Absent such an agreement, the IRS is statutorily barred from sharing return information with another country, and these regulations cannot and do not change that rule.

Second, consistent with established international standards, all of the information exchange agreements to which the United States is a party require that the information exchanged under the agreement be treated and protected as secret by the foreign government. In addition, information exchange agreements generally prohibit foreign governments from using any information exchanged under such an agreement for any purpose other than the purpose of administering, collecting, and enforcing the taxes covered by the agreement. Accordingly, under these agreements, neither country is permitted to release the information shared under the agreement or use it for any other law enforcement purposes.

Third, consistent with the international standard for information exchange and United States law, the United States will not enter into an information exchange agreement unless the Treasury Department and the IRS are satisfied that the foreign government has strict confidentiality protections. Specifically, prior to entering into an information exchange agreement with another jurisdiction, the Treasury Department and the IRS closely review the foreign jurisdiction's legal framework for maintaining the confidentiality of taxpayer information. In order to conclude an information exchange agreement with another country, the Treasury Department and the IRS must be satisfied that the foreign jurisdiction has the necessary legal safeguards in place to protect exchanged information and that adequate penalties apply to any breach of that confidentiality.

Finally, even if an information exchange agreement is in effect, the IRS will not exchange information on deposit interest or otherwise with a country if the IRS determines that the country is not complying with its obligations under the agreement to protect the confidentiality of information and to use the information solely for collecting and enforcing taxes covered by the agreement. The IRS also

will not exchange any return information with a country that does not impose tax on the income being reported because the information could not be used for the enforcement of tax laws within that country.

In addition, the IRS has options regarding the appropriate form of exchange. For example, the IRS might exchange information with another jurisdiction only upon specific request. In the case of specific exchange requests, the IRS evaluates the requesting country's current practices with respect to information confidentiality. The IRS also requires the requesting country to explain the intended permitted use of the information and justify the relevance of that information to the permitted use. Alternatively, in appropriate circumstances, the IRS might exchange certain information on an automatic basis. The IRS currently exchanges deposit interest information on an automatic basis with only one jurisdiction (Canada). The IRS will not enter into a new automatic exchange relationship with a jurisdiction unless it has reviewed the country's policies and practices and has determined that such an exchange relationship is appropriate. Further, the IRS generally will not enter into an automatic exchange relationship with respect to the information collected under these regulations unless the other jurisdiction is willing and able to reciprocate effectively.

The Treasury Department and the IRS believe that the legal and administrative safeguards described in the preceding paragraphs regarding the use of information collected under these regulations should adequately address the concerns identified by the comments and, therefore, these regulations should not significantly impact the investment and savings decisions of the vast majority of nonresidents who are aware of and understand these safeguards and existing law and practice. Nevertheless, to enhance awareness and further address concerns, these final regulations revise the 2011 proposed regulations to require reporting only in the case of interest paid to a nonresident alien individual resident in a country with which the United States has in effect an information exchange agreement pursuant to which the United States agrees to provide, as well as receive, information and under which the competent authority is the Secretary of the Treasury or his delegate.

For this purpose, the Treasury Department and the IRS will publish a Revenue Procedure contemporaneously with these final regulations specifically identifying the countries with which the United States has in force such an information exchange agreement. The Revenue Procedure will be updated as appropriate. With respect to any calendar year, payors will only be required to report interest on deposits maintained at an office within the United States and paid to a nonresident alien individual who is a resident of a country identified in the Revenue Procedure as of December 31 of the prior calendar year as being a country with which the United States has in effect such an information exchange agreement. To address any potential burden associated with reporting on this basis, the final regulations provide that for any year for which the information return under §1.6049-4(b)(5) is required, a payor may elect to report interest payments to all nonresident alien individuals.

As previously discussed, the identification of a country as having an information exchange agreement with the United States does not necessarily mean that the information collected under these regulations will be reported to such foreign jurisdiction. As an additional measure to further increase awareness among concerned nonresidents regarding the IRS' use of information collected under these regulations, the Revenue Procedure also will include a second list identifying the countries with which the Treasury Department and the IRS have determined that it is appropriate to have an automatic exchange relationship with respect to the information collected under these regulations. This determination will be made only after further assessment of a country's confidentiality laws and practices and the extent to which the country is willing and able to reciprocate.

In addition, in response to comments, and given the information exchange practices described in the preceding paragraphs and the information that will be available in the Revenue Procedure, these final regulations eliminate the requirement in the 2011 proposed regulations for financial institutions to include in the information statement provided to nonresident alien individuals a statement informing the individual that the information may be furnished to the government of the

country where the recipient resides. In addition, these final regulations clarify that a payor or middleman may rely on the permanent residence address provided on a valid Form W-8BEN, "*Beneficial Owners Certificate of Foreign Status for U.S. Tax Withholding*", for purposes of determining the country of residence of a nonresident alien to whom reportable interest is paid unless the payor or middleman knows or has reason to know that such documentation of the country of residence is unreliable or incorrect. The final regulations also modify §31.3406(g)-1 of the proposed regulations to clarify that, consistent with the backup withholding rules generally, a payment of interest described in §1.6049-8(a) is not subject to withholding under section 3406 if the payor may treat the payee as a foreign person, without regard to whether the payor reported such interest (although a payor may be subject to penalties if it fails to report as required). As under the prior regulations requiring the reporting of interest paid to Canadian non-resident alien individuals, the final regulations define interest subject to reporting to mean interest paid on deposits as defined under section 871(i)(2)(A) (including deposits with persons carrying on a banking business, deposits with certain savings institutions, and certain amounts held by insurance companies under agreements to pay interest thereon).

Comments Regarding Authority and Congressional Intent

Some comments expressed the view that the Treasury Department and the IRS lack the authority to require the reporting required under the 2011 proposed regulations, or that the 2011 proposed regulations are contrary to Congressional intent. The relevant statutory provisions expressly contemplate that the Treasury Department and the IRS have authority to require reporting on deposit interest paid to nonresidents. Section 6049(a) provides generally for reporting with respect to interest payments. Section 6049(b)(2)(B) and (5) provides that, except to the extent otherwise provided in regulations, reportable interest does not include interest paid to nonresident alien individuals on deposits described in section 871(i)(2)(A). Section 6049(b)(2)(B) and (5) thus provides express authority for the Treasury

Department and the IRS to issue regulations requiring reporting of such interest.

Special Analyses

It has been determined that these regulations are not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations.

When an agency promulgates a final rule, the Regulatory Flexibility Act, 5 U.S.C. chapter 6 (RFA), requires the agency to prepare a final regulatory flexibility analysis describing the impact of the final rule on small entities. 5 U.S.C. 604. Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing a regulatory flexibility analysis, if the final rule is not expected to have a significant economic impact on a substantial number of small entities.

These regulations impose a collection of information, and thus, the Regulatory Flexibility Act (5 U.S.C. chapter 6) applies. It is hereby certified that the collection of information contained in these regulations will not have a significant economic impact on a substantial number of small entities.

The preamble to the 2011 proposed regulations sets forth an analysis of the number of small entities that may be required to report under these regulations. Although this rule may affect a substantial number of small entities, the IRS has determined that the impact on entities affected by these final regulations will not be significant.

Some comments expressed concern that the regulations would impose a new administrative burden on U.S. financial institutions. In addition, some comments objected that collecting and reporting this information imposes burdens on certain types of financial institutions, including community banks and banks in certain states that have a larger percentage of customers who are nonresident alien individuals.

The Treasury Department and the IRS disagree. Under existing law, all U.S. financial institutions have responsibilities to withhold on and report with respect to de-

positors who are U.S. citizens, U.S. resident individuals, and Canadian resident individuals, and have developed the systems to perform such withholding and reporting.

All nonresident alien individual account holders who maintain accounts in the United States are already required to complete a Form W-8BEN, declaring their non-U.S. status and the country in which they reside. U.S. financial institutions can use their existing W-8 information to produce Form 1042-S disclosures for the relevant nonresident alien individual account holders. Nearly all U.S. banks and other financial institutions have automated systems to produce Form 1099-INT, "Interest Income", for U.S. accountholders and Form 1042-S, "Foreign Person's U.S. Source Income Subject to Withholding", for Canadian accountholders. As a result, the information collection requirements in these regulations build on reporting and information collection systems familiar to and currently used by U.S. financial institutions, including small business entities. The amount of time required to complete the Form 1042 and Form 1042-S is minimal, and the statement that is required to be collected is brief. Accordingly, it should not be a significant burden to adapt those systems to report with respect to depositors who are resident in other countries with which the United States has an information exchange agreement. Therefore, a regulatory flexibility analysis is not required.

Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking preceding these final regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses. The Chief Counsel for Advocacy of the Small Business Administration did not comment on the notice of proposed rulemaking.

Drafting Information

The principal author of the regulations is Kathryn Holman, Office of Associate Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in their development.

* * * * *

Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 31 are amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:
Authority 26 U.S.C. 7805 * * *

Par. 2. In §1.6049-4, paragraph (b)(5) is revised to read as follows:

§1.6049-4 Return of information as to interest paid and original issue discount includible in gross income after December 31, 1982.

(b) * * *

(5) *Interest payments to certain nonresident alien individuals—(i) General rule.* In the case of interest aggregating \$10 or more paid to a nonresident alien individual (as defined in section 7701(b)(1)(B)) that is reportable under §1.6049-8(a), the payor shall make an information return on Form 1042-S, "Foreign Person's U.S. Source Income Subject to Withholding," for the calendar year in which the interest is paid. The payor or middleman shall prepare and file Form 1042-S at the time and in the manner prescribed by section 1461 and the regulations under that section and by the form and its accompanying instructions. See §§1.1461-1(b) (rules regarding the preparation of a Form 1042) and 1.6049-6(e)(4) (rules for furnishing a copy of the Form 1042-S to the recipient). To determine whether an information return is required for original issue discount, see §§1.6049-5(f) and 1.6049-8(a).

(ii) *Effective/applicability date.* Paragraph (b)(5)(i) of this section shall be applicable for payments made on or after January 1, 2013. (For interest paid to a Canadian nonresident alien individual on or before December 31, 2012, see paragraph (b)(5) of this section as in effect and contained in 26 CFR part 1 revised April 1, 2000.)

* * * * *

Par. 3. Section 1.6049-5 is amended as follows:

1. In paragraph (b)(12), the last sentence is revised.

2. In paragraph (f), the last sentence is revised.

The revisions read as follows:

§1.6049-5 Interest and original issue discount subject to reporting after December 31, 1982.

* * * * *

(b) * * *

(12) * * * This paragraph (b)(12) does not apply to interest paid on or after January 1, 2013, to a nonresident alien individual to the extent provided in §1.6049-8.

* * * * *

(f) * * * Original issue discount on an obligation (including an obligation with a maturity of not more than six months from the date of original issue) held by a nonresident alien individual or foreign corporation is interest described in paragraph (b)(1)(vi)(A) or (B) of this section and, therefore is not interest subject to reporting under section 6049 unless it is described in §1.6049-8(a) (relating to deposit interest paid on or after January 1, 2013, to certain nonresident alien individuals).

* * * * *

Par. 4. Section 1.6049-6 is amended as follows:

1. The paragraph heading and text of paragraph (e)(4) is revised.

2. In paragraph (e)(5), the paragraph heading and first sentence are revised and a new sentence is added at the end of the paragraph.

The additions and revisions read as follows:

§1.6049-6 Statements to recipients of interest payments and holders of obligations for attributed original issue discount.

* * * * *

(e) * * *

(4) *Special rule for amounts described in §1.6049-8(a).* In the case of amounts described in §1.6049-8(a) (relating to payments of deposit interest to certain nonresident alien individuals) paid on or after January 1, 2013, any person who makes a Form 1042-S, “*Foreign Person’s U.S. Source Income Subject to Withholding*,” under section 6049(a) and §1.6049-4(b)(5) shall furnish a statement to the recipient either in person or by first class mail to the recipient’s last known address. The statement shall include a copy of the Form 1042-S required to be prepared pursuant to §1.6049-4(b)(5) and

a statement to the effect that the information on the form is being furnished to the United States Internal Revenue Service.

(5) *Effective/applicability date.* Paragraph (e)(4) of this section applies to payee statements reporting payments of deposit interest to nonresident alien individuals paid on or after January 1, 2013. * * * (For interest paid to a Canadian nonresident alien individual on or before December 31, 2012, see paragraph (e)(4) of this section as in effect and contained in 26 CFR part 1 revised April 1, 2000.)

Par. 5. In §1.6049-8, the section heading and paragraph (a) are revised to read as follows:

§1.6049-8 Interest and original issue discount paid to certain nonresident aliens.

(a) *Interest subject to reporting requirement.* For purposes of §§1.6049-4, 1.6049-6, and this section, and except as provided in paragraph (b) of this section, the term *interest* means interest described in section 871(i)(2)(A) that relates to a deposit maintained at an office within the United States, and that is paid to a nonresident alien individual who is a resident of a country that is identified, in an applicable revenue procedure (see §601.601(d)(2) of this chapter) as of December 31 prior to the calendar year in which the interest is paid, as a country with which the United States has in effect an income tax or other convention or bilateral agreement relating to the exchange of tax information within the meaning of section 6103(k)(4), under which the competent authority is the Secretary of the Treasury or his delegate and the United States agrees to provide, as well as receive, information. Notwithstanding the foregoing, for purposes of §§1.6049-4, 1.6049-6, and this section, for any year for which the information return under §1.6049-4(b)(5) is required, a payor may elect to treat interest as including all interest described in section 871(i)(2)(A) that relates to a deposit maintained at an office within the United States and that is paid to any nonresident alien individual. A payor shall make this election by reporting all such interest. For purposes of the regulations under section 6049 (§§1.6049-1 through 1.6049-8), a nonresident alien individual is a person described in section 7701(b)(1)(B). A

payor or middleman may rely upon the permanent residence address provided on a valid Form W-8BEN, “*Beneficial Owners Certificate of Foreign Status for U.S. Tax Withholding*”, to determine the country in which a nonresident alien individual is resident unless such payor or middleman knows or has reason to know that such documentation of the country of residence is unreliable or incorrect. Amounts described in this paragraph (a) are not subject to backup withholding under section 3406 if the payor may treat the payee as a foreign beneficial owner or foreign payee under the rules of §1.6049-5(b)(12). See §31.3406(g)-1(d) of this chapter. However, if the payor or middleman does not have either a valid Form W-8BEN or valid Form W-9, “*Request for Taxpayer Identification Number and Certification*”, the payor or middleman must report the payment as made to a U.S. non-exempt recipient if it must so treat the payee under the presumption rules of §1.6049-5(d)(2) and §1.1441-1(b)(3)(iii), and the payor must also backup withhold under section 3406. (For interest paid to a Canadian nonresident alien individual on or before December 31, 2012, see paragraph (a) of this section as in effect and contained in 26 CFR part 1 revised April 1, 2000).

* * * * *

PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT THE SOURCE

Par. 6. The authority citation for part 31 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 7. In §31.3406(g)-1, paragraph (d) is revised to read as follows:

§31.3406(g)-1 Exception for payments to certain payees and certain other payments.

* * * * *

(d) *Reportable payments made to nonresident alien individuals.* A payment of interest to a nonresident alien individual that is described in §1.6049-8(a) of this chapter is not subject to withholding under section 3406 if the payor may treat the payee as a foreign beneficial owner or foreign payee under the rules of §1.6049-5(b)(12). (For interest paid

to a Canadian nonresident alien individual on or before December 31, 2012, see paragraph (d) of this section as in effect and contained in 26 CFR part 1 revised April 1, 2000.)

Steven T. Miller,
*Deputy Commissioner for
Services and Enforcement.*

Emily S. McMahon,
*(Acting) Assistant Secretary
of the Treasury (Tax Policy).*

Approved April 12, 2012.

(Filed by the Office of the Federal Register on April 17, 2012, 4:15 p.m., and published in the issue of the Federal Register for April 19, 2012, 77 F.R. 23391)

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Part III. Administrative, Procedural, and Miscellaneous

Minimum Value of an Employer-Sponsored Health Plan

Notice 2012–31

I. PURPOSE AND OVERVIEW

This notice describes and requests comments on several possible approaches to determining whether health coverage under an eligible employer-sponsored plan, as defined in § 5000A of the Internal Revenue Code (“employer-sponsored plan”), provides minimum value within the meaning of § 36B(c)(2)(C)(ii). Beginning in 2014, eligible individuals who purchase coverage under a qualified health plan through an Affordable Insurance Exchange may receive a premium tax credit under § 36B unless they are eligible for other minimum essential coverage, including coverage under an employer-sponsored plan that is affordable to the employee and provides minimum value. Under § 36B(c)(2)(C)(ii), a plan fails to provide minimum value if “the plan’s share of the total allowed costs of benefits provided under the plan is less than 60 percent of such costs.” If the coverage offered by the employer fails to provide minimum value, an employee may be eligible to receive a premium tax credit. An applicable large employer (as defined in § 4980H(c)(2)) may be liable for an assessable payment under § 4980H if any full-time employee receives a premium tax credit.

The Treasury Department and the Internal Revenue Service intend to issue proposed regulations on determining minimum value and are considering incorporating the approach described in this notice. As described below, under anticipated future guidance, an employer-sponsored plan would be able to use one of several alternative approaches to ascertain that the plan provides minimum value. Specifically, this notice seeks comment on the following three potential approaches that could be used to determine whether an

employer-sponsored plan provides minimum value:

- The actuarial value calculator (AV calculator), referred to below, or a minimum value calculator (MV calculator) to be made available by the Department of Health and Human Services (HHS) and the Treasury Department. In either case, the calculator would permit an employer-sponsored plan to enter information about the plan’s benefits, coverage of services, and cost-sharing terms to determine whether the plan provides minimum value. The data underlying the MV calculator (which would be designed for use by employer-sponsored self-insured plans and insured large group plans) are expected to be claims data reflecting typical self-insured employer plans.
- An array of design-based safe harbors in the form of checklists that would provide a simple, straightforward way to ascertain that employer-sponsored plans provide minimum value without the need to perform any calculations or obtain the assistance of an actuary.
- For plans with nonstandard features that preclude the use of the AV calculator or the MV calculator without adjustments, an appropriate certification by a certified actuary, in accordance with prescribed continuance tables, recognized actuarial standards, and other conditions that may be prescribed in administrative guidance, that the plan provides minimum value.

Section VI of this notice describes these potential approaches in greater detail.

Under the statute, certain of the rules for determining whether an employer-sponsored plan provides minimum value are to be based on forthcoming regulations to be issued by HHS that will specify the methods for determining the actuarial value of a qualified health plan (QHP) offered through an Affordable Insurance Exchange and non-grandfathered plans

in the individual and small group markets. On February 24, 2012, HHS issued the “Actuarial Value and Cost-Sharing Bulletin” (HHS actuarial value bulletin) describing the assumptions and methodology that HHS anticipates will govern the calculation of actuarial value.¹ (See <http://ccio.cms.gov/resources/files/Files2/02242012/Av-csr-bulletin.pdf>.) This notice describes how guidance issued by HHS on the determination of actuarial value is expected to be applied in determining minimum value. This notice also outlines ways in which the determination of minimum value is expected to differ from the determination of the actuarial value of QHPs in order to reflect differences between QHPs and employer-sponsored plans, such as differences in their levels of standardization and the populations covered.

Employer-sponsored self-insured and insured large group plans are not required to conform their plans to any of the essential health benefit (EHB) benchmarks that HHS intends to propose to apply to QHPs.² These employer-sponsored plans need not offer all of the EHBs or even cover each of the ten statutory EHB categories.

This notice provides information regarding the actuarial value of existing employer-sponsored plans (Section II) and the statutory background of the premium tax credit and the minimum value provision (Section III). The notice then describes, by way of background, the intended methodology laid out in the HHS actuarial value bulletin for determining the actuarial value of a QHP (Section IV) and explains the assumptions expected to be used to determine whether an employer-sponsored plan meets the minimum value threshold (Section V). The notice describes the options that are being considered for determining whether an employer-sponsored plan has an actuarial value of at least 60 percent and therefore provides minimum value (Section VI).

¹ The actuarial value rules under § 1302(d) and the essential health benefit provision under § 1302(b) apply to QHPs offered on an Affordable Insurance Exchange and also to non-grandfathered plans in the individual and small group insurance market. See § 2707(a) of the Public Health Service Act, as added by § 1201 of the Affordable Care Act, which provides that non-grandfathered plans in the individual and small group insurance markets must cover the “essential health benefits package,” as defined in § 1302(a) of the Affordable Care Act.

² The EHB benchmarks that HHS intends to propose also apply to non-grandfathered plans in the individual and small group insurance markets.

Finally, the notice also invites public comments (Section VII).

II. ACTUARIAL VALUE OF EXISTING EMPLOYER-SPONSORED PLANS

The actuarial value of a health plan is a measure of the percentage of health care costs, on average, that the plan is expected to cover. A report issued last fall by HHS found that approximately 98 percent of individuals currently covered by employer-sponsored plans are enrolled in plans that have an actuarial value of at least 60 percent using methods and assumptions similar to those described in this notice for determining minimum value. (See Actuarial Value and Employer-Sponsored Insurance, ASPE Research Brief, U.S. Department of Health and Human Services (November 2011) <http://aspe.hhs.gov/health/reports/2011/AV-ESI/rb.shtml>.) The HHS report also concludes that four core categories of benefits and services are the greatest contributors to a health plan's actuarial value: physician and mid-level practitioner care; hospital and emergency room services; pharmacy benefits; and laboratory and imaging services. Because they account for only a very small portion of overall medical expenditures, benefits and services beyond these four core categories of benefits that are covered by a plan generally have only a limited impact on the plan's actuarial value. For example, a plan that does not include coverage for rehabilitative services, durable medical equipment, acupuncture and chiropractic services, and home health services may have an actuarial value that is only 5 percent less than a plan that includes coverage for these services. (See ASPE Research Brief.) We seek input on whether other analyses using different data or assumptions produce similar or different results.

III. STATUTORY BACKGROUND

Section 36B was added by § 1401 of the Patient Protection and Affordable Care

Act, Public Law 111–148, and modified by the Health Care and Education Reconciliation Act of 2010, Public Law 111–152 (collectively, the Affordable Care Act). Beginning in 2014, certain taxpayers are allowed a refundable premium tax credit under § 36B to assist in purchasing QHP coverage through an Affordable Insurance Exchange. The premium tax credit is designed to make QHP coverage affordable by reducing an eligible taxpayer's out-of-pocket premium cost. (Under § 1402 of the Affordable Care Act, eligible individuals are entitled to an advance payment of the premium tax credit, which is paid directly to the QHP issuer selected by the individual.)

An employee, or a member of the employee's family, who is eligible to enroll in an employer-sponsored plan is not eligible for a premium tax credit unless the plan's coverage for the employee either is unaffordable, as defined in § 36B(c)(2)(C)(i)(II), or does not provide minimum value, as defined in § 36B(2)(c)(2)(C)(ii). An employee (or member of the employee's family) also is not eligible if he or she actually enrolls in the employer-sponsored plan, even if the plan is not affordable or fails to provide minimum value. Under § 4980H, an "applicable large employer" is generally liable for an assessable payment if any full-time employee receives a premium tax credit.

To satisfy the minimum value requirement under § 36B(c)(2)(C)(ii), a plan's share of the "total allowed costs of benefits provided under the plan" must equal or exceed 60 percent of such costs. Section 1302(d)(2)(C) of the Affordable Care Act directs that the statutory phrase — "percentage of the total allowed costs of benefits provided under a group health plan" — is determined under rules contained in the regulations to be promulgated by HHS under § 1302(d)(2) (titled "Actuarial Value"). The requirements applicable to these HHS regulations are set forth in subparagraphs (A) and (B) of § 1302(d)(2).³ Consistent with these statutory requirements, the de-

termination of whether an employer-sponsored plan provides minimum value will be based on the actuarial value rules with appropriate modifications.

Subparagraph (B) of § 1302(d)(2) requires HHS to issue regulations under which employer contributions to a health savings account (HSA) may be taken into account in determining the actuarial value of an employer-sponsored plan. In addition, § 1302(d)(3) of the Affordable Care Act authorizes the Secretary of HHS to determine a reasonable "*de minimis*" variation in the actuarial values used in determining the level of coverage of a plan to account for differences in actuarial estimates.

IV. HHS INTENTIONS WITH RESPECT TO ACTUARIAL VALUE FOR QUALIFIED HEALTH PLANS

The HHS actuarial value bulletin explains that, in accordance with the requirements of subparagraph (A) of § 1302(d)(2) of the Affordable Care Act, the actuarial value of QHPs offered through an Affordable Insurance Exchange (and of non-grandfathered plans in the individual and small group insurance markets) is determined by computing the ratio of (1) the total expected payments by the plan, computed in accordance with the plan's cost-sharing rules (deductibles, co-insurance, co-payments, out-of-pocket limits), toward the costs a standard population is expected to incur at standard pricing for EHBs; over (2) the total costs a standard population is expected to incur at standard pricing for the EHBs.⁴ This actuarial value is used to determine the "metal level" of a QHP (that is, platinum, gold, silver, or bronze). For example, bronze plans must have a 60 percent actuarial value.

HHS announced that it intends to make available to the public an AV calculator that could be used to determine the actuarial value of QHPs (and non-grandfathered plans in the individual and small group insurance markets). The AV calculator would be designed so that issuers

³ Subparagraph (A) of § 1302(d)(2) requires the level of coverage of a plan to be "determined on the basis that the essential health benefits described in subsection [1302](b) shall be provided to a standard population. . . ."

⁴ On December 16, 2011, HHS issued the "Essential Health Benefits Bulletin," which outlined the approach HHS plans to use to define the EHBs. (See http://ccio.cms.gov/resources/files/Files2/12162011/essential_health_benefits_bulletin.pdf.) Under this approach, each state would have the flexibility to select a "benchmark plan" from a list of permissible options specified by HHS in the bulletin. The scope of benefits provided under the state-specific benchmark plan would determine the scope of EHBs for QHPs in that state. In addition, the EHBs must encompass the ten categories of benefits listed in § 1302(a) of the Affordable Care Act. If the benchmark plan in a state does not offer coverage in each of the ten categories, the bulletin provides an intended method for supplementing deficient categories of benefits so all QHPs in the state would include benefits in all ten categories. The bulletin also provides an intended method for determining the benchmark plan in a state if the state fails to make a selection.

would be able to input a limited set of information on the benefits provided under the plan, and the calculator would provide the actuarial value of the plan. The claims data underlying the AV calculator would represent the entire range of EHB benchmark benefits that states would be permitted to select.

Although HHS anticipates that the overwhelming majority of issuers of QHPs would be able to calculate the actuarial value of their health plans using the AV calculator, HHS requested comments on whether a QHP issuer whose plan design does not fit into the basic AV calculator logic should be able to obtain an actuarial certification in limited circumstances. HHS is considering options to permit such QHP issuers to obtain an actuarial certification that the plan design fits into the calculator logic or to obtain an actuarial certification that adjustments to the AV calculator-produced value are appropriate.

The HHS actuarial value bulletin also states that HHS intends to permit a *de minimis* variation of plus or minus 2 percent (so that, for example, a bronze plan could have an actuarial value between 58 and 62 percent). The bulletin also provides that amounts contributed by an employer to an HSA or first made available to an employee under a health reimbursement arrangement (HRA) would be taken into account by the AV calculator. The intended method for accounting for these contributions is discussed further below.

V. ASSUMPTIONS TO BE USED IN THE MINIMUM VALUE DETERMINATION

As discussed above, an employer-sponsored plan provides minimum value if its actuarial value is at least 60 percent. For employer-sponsored plans in the small group market, minimum value must be determined using a method that is consistent with the actuarial value rules under § 1302(d) of the Affordable Care Act and HHS guidance provided under that provision. It is expected that whether an employer-sponsored self-insured plan or insured large group plan provides minimum value would be determined in a

manner generally consistent with the rules proposed by HHS for the calculation of actuarial value for plans subject to the actuarial value rules under § 1302(d), with appropriate modifications that reflect differences in the markets and also account for the fact that employer-sponsored self-insured and insured large group plans are not required to offer EHBs in each of the 10 categories. Accordingly, it is expected that the minimum value of an employer-sponsored self-insured plan and insured large group plan would be determined in the same manner as actuarial value under § 1302(b) of the Affordable Care Act, except that these plans might be valued using a comparison to claims data reflecting typical self-insured employer plans, which would be based on continuance tables⁵ published specifically for use by such plans.⁶ Moreover, employer-sponsored self-insured and insured large group plans, as noted above, are neither required to cover each of the categories of EHBs nor to conform their plans to any of the EHB benchmarks that HHS intends to apply to QHPs, but would be permitted to take into account all benefits provided by the plan that are included in any of the EHB benchmarks.

In addition, an employer-sponsored plan would be permitted to add to the plan's value the employer contributions to an HSA and amounts made available under an HRA using a method similar to the method used by QHPs that are offered through a SHOP Exchange, as defined in § 1311(b)(1)(B) of the Affordable Care Act.

A. Standard Population and Utilization

Section 1302(d)(2)(A) of the Affordable Care Act specifies that actuarial value is computed based on the health expenses that are expected to be incurred by a standard population, rather than the population that a plan actually covers. For purposes of determining minimum value in a manner that meets this standard, it is expected that two types of continuance tables would be made available for use by employer-sponsored plans. First, as described in the AV bulletin, HHS intends

to publish continuance tables based on claims representing the entire range of EHB benchmark benefits and population data for employer-sponsored and individual market plans, with permissible state or regional adjustments to the standard population, utilization and pricing. These continuance tables would be incorporated into the AV calculator and would be used by QHPs and employer-sponsored plans in the small group market. Second, to reflect the differences between the population covered by QHPs (and plans in the small group market) and the population covered by employer-sponsored self-insured and insured large group plans, HHS intends to publish continuance tables based on claims and population data for typical self-insured employer-sponsored plans. This second set of continuance tables would be incorporated into an MV calculator, which would be provided and could be used to calculate the actuarial value of an employer-sponsored self-insured plan or an insured large group plan. This set of continuance tables would not include claims or population data for plans that are required under the law to provide EHBs or to meet state benefit mandates.

B. Treatment of HSAs and HRAs in Calculating Minimum Value

As noted above, the HHS actuarial value bulletin provides a potential approach to the calculation of actuarial value for a high deductible health plan (HDHP) that is linked to an HSA, as defined in § 223, or a group health plan that is integrated with an HRA described in Notice 2002-45, 2002-2 C.B. 93, and Rev. Rul. 2002-41, 2002-2 C.B. 75.

The HHS actuarial value bulletin says that HHS intends to propose that, in calculating the actuarial value of the combined HDHP and HSA or combined employer-sponsored plan and HRA, the calculation would assume that the employer contribution to the HSA or amount first made available under an HRA is used by the employee to pay for cost-sharing. Accordingly, an appropriate portion of these amounts would be credited to the numerator of the actuarial value calculation. This

⁵ A health insurance continuance table is a distribution of annual paid claims arranged in a format that shows the amount of claims paid at each increasing level of expenditure, adding up to the total amount of expenditures for a covered group of enrollees.

⁶ This use of claims data reflected in the continuance tables would be relevant only for the purpose of determining minimum value, and does not imply that a plan must provide a particular set of benefits.

means that any current year HSA contributions and amounts first made available under an HRA could be used to determine the actuarial value of an employer-sponsored plan. Generally, the employer would receive the same credit for HSA contributions in the numerator of the actuarial value calculation as it would receive for the same amount of first-dollar insurance coverage. The same rule would apply for amounts first made available under an HRA. (See HHS actuarial value bulletin, “Treatment of Health Savings Accounts and Health Reimbursement Arrangements in Calculating Actuarial Value.”)

Treasury and the Service intend to follow HHS’s rules for including employer contributions to an HSA and amounts made available under an HRA in the value of an employer-sponsored HDHP combined with an HSA or an employer-sponsored plan combined with an HRA when calculating the actuarial value of an employer-sponsored plan for purposes of determining whether it provides minimum value.

VI. OPTIONS FOR DETERMINING MINIMUM VALUE

Under guidance to be issued by Treasury and the Service, and consistent with rules to be promulgated by HHS, employer-sponsored plans would be able to use any one of several tests to determine whether the plan meets minimum value. Comments are requested on three potential approaches described below.

A. AV and MV Calculators

Under this option, employer-sponsored plans would be able to determine their actuarial value by entering information about the cost-sharing features of the plan for different categories of benefits into a calculator. As described in the HHS actuarial value bulletin (in the section entitled “Operational Method for AV Calculation Using Standard Data”), HHS intends to provide an AV calculator that QHPs and plans in the small group market could use to determine the actuarial value of their plans. In addition, HHS and Treasury intend to develop an MV calculator, into which an employer-sponsored self-insured plan and

insured large group plan would be able to enter cost sharing information that would be similar in design to the AV calculator but based on continuance tables reflecting claims data of typical self-insured employer plans. As such, the data underlying the MV calculator would represent the range of benefits covered by self-insured plans.

A calculator generally would be used to make minimum value determinations by employer-sponsored plans that have standard cost-sharing features. An employer-sponsored plan would be able to input a limited set of information on the benefits offered under the plan and specified cost-sharing features (for example, deductibles, co-insurance, and maximum out-of-pocket costs) for the four core categories of benefits: physician and mid-level practitioner care, hospital and emergency room services, pharmacy benefits, and laboratory and imaging services. The calculator would also take into consideration the annual employer contributions to an HSA or amounts made available under an HRA, if applicable.

B. Design-Based Safe Harbor Checklists

Based on analysis and information provided by HHS, Treasury and the Service intend to issue guidance that would give certain employer-sponsored plans an easy means to determine whether a plan provides minimum value without using a calculator or performing any calculations and without the need for actuarial expertise. This alternative would provide an array of safe harbor checklists that employer-sponsored plans may compare to their plan’s coverage. If the employer-sponsored plan’s terms are consistent with or more generous than any one of the safe harbor checklists, the plan would be treated as providing minimum value.

The safe harbor checklists would be used to make minimum value determinations for plans that cover all of the four core categories of benefits and services and have specified cost-sharing amounts. Each safe harbor checklist would describe the cost-sharing attributes of a plan (such as deductibles, co-pays, co-insurance and maximum out of pocket costs) that apply to the four core categories of benefits and ser-

vices.⁷ The guidance would provide several safe harbor options, including coverage equivalent to an HDHP combined with an employer-funded HSA, that would satisfy the MV requirement. An employer-sponsored plan providing the four core categories would be treated as providing minimum value if its cost-sharing attributes are at least as generous as any one of the safe harbor checklist options.

Treasury and the Service expect to release the safe harbor checklists when HHS and Treasury release the MV calculator.

C. Actuarial Certification

Neither a calculator nor the safe harbor checklists would be able to accommodate employer-sponsored plans with “nonstandard” features, such as quantitative limits on any of the four core categories of benefits (including, for example, a limit on the number of physician visits or covered days in the hospital). Under a third option, consistent with the options proposed in the HHS actuarial value bulletin, employer-sponsored plans with nonstandard features would be able to generate an initial value using a calculator and then engage a certified actuary to make appropriate adjustments that take into consideration the nonstandard features.

Employer-sponsored plans with nonstandard features of a certain type and magnitude would also have the option of engaging a certified actuary to determine the plan’s actuarial value without the use of a calculator. The actuarial value would be determined in such case in accordance with the Actuarial Standards of Practice established by the Actuarial Standards Board. The certified actuary would make this determination based on the plan’s benefits and coverage data and the standard population, utilization and pricing tables published by HHS in consultation with Treasury in the form of the continuance tables available for purposes of the valuation of employer-sponsored plans and consistent with applicable administrative guidance.

VII. REQUEST FOR COMMENTS

Comments are requested on issues to be addressed in guidance on determining

⁷ Although employer-sponsored plans are not required to cover all four categories of coverage, it is anticipated that plans failing to cover these categories would not satisfy any of the design-based safe harbors.

minimum value for an employer-sponsored plan. Comments are requested on issues plan sponsors, issuers, and employers may face in evaluating plan designs that will cover part or all of 2014, including suggestions for transitional relief for plan years that start before and end in 2014.

Comments are requested on the potential alternative methods for determining whether an employer-sponsored plan provides minimum value. Comments are specifically requested on the following points:

1. The AV calculator or MV calculator would permit sponsors and issuers of employer-sponsored plans to enter information reflecting the benefits they cover and the cost-sharing features relating to the four core categories of benefits. Comments are requested on whether and how the actuarial value initially generated by the AV calculator or the MV calculator could be adjusted to take into consideration other benefits provided under the plan. For example, how could benefits such as wellness benefits be added to the actuarial value initially generated by the AV calculator or the MV calculator to determine whether an employer-sponsored plan provides minimum value? Are there other examples of benefits that employer-sponsored plans cover today or are likely to cover that might not be captured by the MV calculator and, if so, are employer-sponsored plans that cover those benefits typically near 60 percent actuarial value or more likely to be well above 60 percent actuarial value?
2. As discussed above, employer-sponsored plans with nonstandard features, such as quantitative limits on the four core categories of benefits, would not be able to use the AV calculator or the MV calculator (without an adjustment) to determine whether the plan provides minimum value. Comments are requested on nonstandard features within the four core categories that are sufficiently narrow that the AV calculator or the MV calculator could still be used without adjustment to determine whether a plan provides minimum value and on the quantitative limits that employer-sponsored plans

commonly use today. Comments are also requested on other plan features that could require the plan to adjust the valuation generated by the AV calculator or MV calculator.

3. Comments are requested on the terms that should be included in the safe harbor checklists and the types of plans for which safe harbor checklists should be developed.
4. With respect to a possible independent actuarial value certification, comments are requested on standards and safeguards that should be applied to ensure that the plan meets the 60 percent actuarial value threshold for the minimum value determination.

Comments may be submitted in writing on or before June 11, 2012. Comments should be submitted to Internal Revenue Service, CC:PA:LPD:PR (Notice 2012-31), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044, or electronically to Notice.Comments@irscounsel.treas.gov.

Please include "Notice 2012-31" in the subject line of any electronic communications.

Alternatively, comments may be hand delivered between the hours of 8:00 a.m. and 4:00 p.m. Monday to Friday to CC:PA:LPD:PR (Notice 2012-31), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, D.C. All comments will be available for public inspection and copying.

FOR ADDITIONAL INFORMATION

For further information on this notice, call the Office of the Division Counsel/Associate Chief Counsel (Tax Exempt & Government Entities) at (202) 927-9639 (not a toll-free call).

Request for Comments on Reporting of Health Insurance Coverage

Notice 2012-32

I. PURPOSE

This notice invites comments concerning the reporting requirements under

§ 6055 of the Internal Revenue Code for health insurance issuers, government agencies, employers that sponsor self-insured plans, and other persons that provide minimum essential coverage to an individual. Section 6055 was added by § 1502(a) of the Patient Protection and Affordable Care Act, Public Law 111-148, which was amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (collectively, the Affordable Care Act). The reporting requirements apply to coverage provided on or after January 1, 2014. The first information returns will be filed in 2015. The Department of the Treasury and the Internal Revenue Service plan to propose regulations implementing the reporting requirements under § 6055. The proposed regulations are expected to include guidance intended to minimize administrative burden and duplicative reporting. To assist in the development of the proposed regulations, this notice invites comments on issues arising under § 6055.

II. BACKGROUND

"Minimum essential coverage" is a term defined to include health insurance coverage offered in the individual market (such as a qualified health plan enrolled in through an Affordable Insurance Exchange (Exchange)), an eligible employer-sponsored plan, or government-sponsored coverage such as Medicare, Medicaid, the Children's Health Insurance Program, TRICARE, or veterans' health care under chapter 17 or 18 of Title 38 U.S.C. Section 5000A(f). Under § 5000A(f)(1)(E), the Department of Health and Human Services, in coordination with the Treasury Department, may designate other health benefits coverage as minimum essential coverage.

Section 6055(a) requires every health insurance issuer, sponsor of a self-insured health plan, government agency that administers government-sponsored health insurance programs and other entity that provides minimum essential coverage to file annual returns reporting information for each individual for whom minimum essential coverage is provided. If health insurance coverage is provided by a health insurance issuer and consists of coverage provided through a group health plan of an employer, it is anticipated that the reg-

ulations would make the health insurance issuer responsible for the reporting.

Section 6055(b)(1) provides that all information returns reporting minimum essential coverage are to contain (1) the name, address, and taxpayer identification number of the primary insured and each other individual covered under the policy or plan, (2) the dates each individual was covered under minimum essential coverage during the calendar year, (3) in the case of health insurance coverage, whether the coverage is a qualified health plan offered through an Exchange, (4) if the coverage is a qualified health plan offered through an Exchange, the amount (if any) of any advance payment of the premium tax credit under § 1412 of the Affordable Care Act or of any cost-sharing reduction under § 1402 of the Affordable Care Act for each covered individual, and (5) other information that the Secretary requires.

Section 6055(b)(2) provides that information returns for minimum essential coverage provided by a health insurance issuer through an employer's group health plan also include the name, address, and employer identification number of the employer maintaining the plan, the portion of the premium to be paid by the employer, and any other information that the Secretary may require for administering the tax credit under § 45R (credit for employee health insurance expenses of small employers).

Section 6055(c)(1) directs the entity filing an information return reporting minimum essential coverage to furnish a written statement to each individual listed on the return that shows the information that must be reported to the Service for that individual.

In addition, effective for years beginning after 2013, § 6056 directs every applicable large employer (within the meaning of § 4980H(c)(2)) that is required to meet the shared employer responsibility requirements of § 4980H during a calendar year to file a return with the Service that reports the terms and conditions of the health care coverage provided to the employer's full-time employees for the year. The return also is required to include information on the employer's full-time employees, including those who received the coverage and when they received it. Section

6056(d) permits the Secretary to provide, to the maximum extent feasible, that any return or statement required under § 6056 may be provided as part of a return or statement under § 6055 or § 6051 (relating to reporting by employers on the Form W-2, *Wage and Tax Statement*), and that an applicable large employer offering coverage of an issuer may agree with the issuer to include information under § 6056 with the return and statement provided by the issuer under § 6055. See Notice 2012-33, 2012-20 I.R.B. 912 (May 14, 2012).

III. REQUEST FOR COMMENTS

The Treasury Department and the Service request comments on issues that should be addressed in regulations implementing reporting under § 6055, including but not limited to:

1. How to determine when an individual's coverage begins and ends for purposes of reporting the dates of coverage.
2. How to minimize duplication between the reporting by health insurance issuers and employers under § 6055 and the reporting by Exchanges under § 36B(f)(3).
3. How to coordinate and minimize duplication between the reporting under § 6055, § 6056, and any other applicable Code provision for employers that sponsor self-insured plans, including but not limited to the potential combined reporting referred to in § 6056(d), as described above.
4. When minimum essential coverage is provided through a voluntary employees' beneficiary association or other type of welfare benefit fund, who is required to report under § 6055 and what, if any, special rules should apply.
5. Whether there are any specific concerns that should be taken into account in any of the following circumstances:
 - a. In the case of electronic information reporting and delivery of statements to individuals and the Service;
 - b. If a third party administrator has information that is relevant to reporting for a self-insured plan;

- c. If an individual is covered under one type of coverage for part of the year and another type of coverage for another part of the year; or
- d. When minimum essential coverage is provided under a multiemployer plan.

6. Whether any difficulties exist in identifying the person responsible for administering information reporting for governmental coverage, for example in state-administered programs such as Medicaid.
7. Any additional suggestions for minimizing burden on entities reporting information under § 6055.

Comments may be submitted in writing on or before June 11, 2012. Comments should be submitted to Internal Revenue Service, CC:PA:LPD:PR (Notice 2012-32), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044, or electronically to Notice.Comments@irs.counsel.treas.gov. Please include "Notice 2012-32" in the subject line of any electronic communications. Alternatively, comments may be hand delivered between the hours of 8:00 a.m. and 4:00 p.m. Monday to Friday to CC:PA:LPD:PR (Notice 2012-32), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, D.C. All comments will be available for public inspection and copying.

IV. DRAFTING INFORMATION

The principal authors of this notice are Andrew Braden and Frank W. Dunham III of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information, please contact Mr. Braden or Mr. Dunham at (202) 622-4960 (not a toll-free call).

Request for Comments on Reporting by Applicable Large Employers on Health Insurance Coverage Under Employer-Sponsored Plans

Notice 2012-33

I. PURPOSE

This notice invites comments on reporting under § 6056 of the Internal Revenue Code for applicable large employers (as defined in § 4980H(c)(2)) that are subject to § 4980H. Section 6056 was enacted by § 1514(a) of the Patient Protection and Affordable Care Act, Pub. L. 111-148 (enacted on March 23, 2010), which was amended by the Health Care and Education Reconciliation Act, Pub. L. 111-152 (enacted on March 30, 2010) (collectively, the Affordable Care Act). Section 6056 requires reporting of certain information on employer-provided health care coverage provided on or after January 1, 2014 and the furnishing of related statements to employees. The first information returns will be filed in 2015. The Internal Revenue Service will use the information that employers report under § 6056 to verify employer-sponsored coverage and to administer the shared employer responsibility provisions under § 4980H(a) and (b). See generally Notice 2011-36, 2011-21 I.R.B. 792, and Notice 2011-73, 2011-40 I.R.B. 74.

The Department of the Treasury and the Service intend to propose regulations implementing the reporting requirements of § 6056. The proposed regulations are expected to include guidance intended to minimize administrative burden and duplicative reporting. To assist in the development of the proposed regulations, this notice invites comments on issues arising under § 6056, including on possible approaches for coordinating and minimizing duplication between the information required to be reported and furnished by employers under § 6056 and information required to be reported and/or furnished by employers or other persons under other applicable Code provisions. For example, § 6056(d) permits the Secretary of the Treasury to provide, to the maximum extent feasible, that any return or statement required under § 6056 may be pro-

vided as part of a return or statement under § 6055 (relating to reporting by entities that provide minimum essential coverage) or § 6051 (relating to reporting by employers on the Form W-2, *Wage and Tax Statement*), and that an applicable large employer offering coverage of an issuer may agree with the issuer to include information under § 6056 with the return and statement required to be provided by the issuer under § 6055.

II. BACKGROUND

A. Reporting to the Service

Section 6056(a), effective for years beginning after December 31, 2013, directs every applicable large employer (within the meaning of § 4980H(c)(2)) that must meet the shared employer responsibility requirements of § 4980H during a calendar year to file a return with the Service that reports the terms and conditions of the health care coverage provided to the employer's full-time employees for the year.

Section 6056(b) generally provides that the return used to satisfy the requirements under § 6056 must:

- Include the name and Employer Identification Number (EIN) of the applicable large employer;
- Include the date the return is filed;
- Certify whether the applicable large employer offers its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan (as defined in § 5000A(f)(2)) and, if so, certify
 1. The duration of any waiting period (as defined in § 6056(b)(2)(C)) with respect to such coverage;
 2. The months during the calendar year when coverage under the plan was available;
 3. The monthly premium for the lowest cost option in each enrollment category under the plan; and
 4. The employer's share of the total allowed costs of benefits provided under the plan.
- Report the number of full-time employees for each month of the calendar year;

- Report, for each full-time employee, the name, address, and taxpayer identification number (TIN) of the employee and the months (if any) during which the full-time employee (or any dependents) were covered under the eligible employer-sponsored plan; and
- Include such other information as may be required by the Secretary of the Treasury.

B. Reporting to Employees

Section 6056(c) provides that, no later than January 31 following the calendar year referred to in § 6056(a) and (b), the applicable large employer will furnish to each full-time employee whose information is required to be reported to the Service under § 6056(b) a written statement that includes:

- The applicable large employer's name and address;
- The applicable large employer's contact information (including a contact phone number);
- The information relating to coverage provided to that employee (and dependents) that is required to be reported on the § 6056 return.

Section 6056(e) generally permits governmental units or any agency or instrumentality thereof to designate a person to comply with the § 6056 reporting on behalf of the governmental unit, agency or instrumentality.

III. REQUEST FOR COMMENTS

Treasury and the Service anticipate proposing regulations under § 6056, and this notice requests comments on issues arising under § 6056 that would be helpful for the regulations to address, including how to coordinate and minimize duplication between the data employers must report under § 6056 and the data they must report under § 6055 (which provides for annual reporting by employers that sponsor self-insured plans) or other applicable Code or Affordable Care Act provisions. See Notice 2012-32, 2012-20 I.R.B. 910 (May 14, 2012).

Comments must be submitted by June 11, 2012. Comments should be submitted to Internal Revenue Service, CC:PA:LPD:RU (Notice 2012-33), Room

5203, PO Box 7604, Ben Franklin Station, Washington, DC 20224. Submissions may also be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to the Courier's Desk, 1111 Constitution Avenue, NW, Washington, DC 20224, Attn: CC:PA:LPD:RU (Notice 2012-33), Room 5203. Submissions may also be sent electronically via the internet to the following e-mail address: *Notice.Comments@irs.counsel.treas.gov*. Include the notice number (Notice 2012-33) in the subject line.

IV. DRAFTING INFORMATION

The principal author of this notice is R. Lisa Mojiri-Azad of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities), though other Treasury Department and Service officials participated in its development. For further information on all other provisions of this notice, contact R. Lisa Mojiri-Azad at (202) 622-6080 (not a toll-free number).

26 CFR 1.6049.00-00: Returns relating to payments of interest.
(Also: 1.3406.07-00: Exceptions to backup withholding.)

Implementation of Nonresident Alien Deposit Interest Regulations

Rev. Proc. 2012-24

SECTION 1. PURPOSE

Sections 1.6049-4(b)(5) and 1.6049-8 of the Income Tax Regulations, as revised by T.D. 9584, require the reporting of certain deposit interest paid to nonresident alien individuals on or after January 1, 2013. The purpose of this revenue procedure is to list, in Section 3, the countries with which the United States has in effect an income tax or other convention or bilateral agreement relating to the exchange of information within the meaning of section 6103(k)(4) pursuant to which the United States agrees to provide, as well as receive, information and under which the competent authority is the Secretary of the Treasury or his delegate, as described in §1.6049-8(a). As discussed in

the preamble to the regulations, even when such an agreement exists, the Internal Revenue Service (IRS) is not compelled to exchange information, including information collected pursuant to the regulations, if there is concern regarding the use of the information or other factors exist that would make exchange inappropriate. This revenue procedure also identifies in Section 4 the countries with which the Treasury Department and the IRS have determined that it is appropriate to have an automatic exchange relationship with respect to the information collected under the regulations. This revenue procedure will be updated as appropriate.

SECTION 2. BACKGROUND

The regulations provide that in the case of reportable interest aggregating \$10 or more paid to a nonresident alien individual (as defined in section 7701(b)(1)(B) of the Internal Revenue Code), the payor shall make an information return on Form 1042-S for the calendar year in which the interest is paid. Reportable interest is interest described in section 871(i)(2)(A) that relates to a deposit maintained at an office within the United States, and that is paid to a nonresident alien individual who is a resident of a country identified, in an applicable revenue procedure (see §601.601(d)(2) of this chapter) as of December 31 prior to the calendar year in which the interest is paid, as a country with which the United States has in effect an income tax or other convention or bilateral agreement relating to the exchange of information within the meaning of section 6103(k)(4) pursuant to which United States agrees to provide, as well as receive, information and under which the competent authority is the Secretary of the Treasury or his delegate. This revenue procedure constitutes the revenue procedure referenced in §1.6049-8(a) and will be updated by subsequent revenue procedures as appropriate.

SECTION 3. COUNTRIES OF RESIDENCE WITH RESPECT TO WHICH THE REPORTING REQUIREMENT APPLIES

The following are countries with which the United States has in effect an income

tax or other convention or bilateral agreement relating to the exchange of tax information within the meaning of section 6103(k)(4) pursuant to which the United States agrees to provide, as well as receive, information and under which the competent authority is the Secretary of the Treasury or his delegate:

Antigua & Barbuda
Aruba
Australia
Austria
Azerbaijan
Bangladesh
Barbados
Belgium
Bermuda
British Virgin Islands
Bulgaria
Canada
China
Costa Rica
Cyprus
Czech Republic
Denmark
Dominica
Dominican Republic
Egypt
Estonia
Finland
France
Germany
Gibraltar
Greece
Grenada
Guernsey
Guyana
Honduras
Hungary
Iceland
India
Indonesia
Ireland
Isle of Man
Israel
Italy
Jamaica
Japan
Jersey
Kazakhstan
Korea (South)
Latvia
Liechtenstein
Lithuania
Luxembourg
Malta
Marshall Islands
Mexico
Monaco
Morocco
Netherlands

Netherlands island territories: Bonaire,
Curacao, Saba, St. Eustatius and
St. Maarten (Dutch part)
New Zealand
Norway
Pakistan
Panama
Peru
Philippines
Poland
Portugal
Romania
Russian Federation
Slovak Rep.
Slovenia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Turkey
Ukraine
United Kingdom
Venezuela

SECTION 4. COUNTRIES WITH WHICH TREASURY AND THE IRS HAVE DETERMINED THAT AUTOMATIC EXCHANGE OF DEPOSIT INTEREST INFORMATION IS APPROPRIATE

The following list identifies the countries with which the automatic exchange of the information collected under §§1.6049–4(b)(5) and 1.6049–8 has been determined by the Treasury Department and the IRS to be appropriate:

Canada

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective for interest paid on or after January 1, 2013.

SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Kathryn T. Holman of the Office of Chief Counsel International (International). For further information regarding this revenue procedure, contact Kathryn T. Holman at (202) 622–3840 (not a toll-free call).

26 CFR 601.201: Rulings and determination letters.
(Also: Part I, §§ 25, 103, 143.)

Rev. Proc. 2012–25

SECTION 1. PURPOSE

This revenue procedure provides issuers of qualified mortgage bonds, as defined in section 143(a) of the Internal Revenue Code, and issuers of mortgage credit certificates, as defined in section 25(c), with (1) the nationwide average purchase price for residences located in the United States, and (2) average area purchase price safe harbors for residences located in statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam.

SECTION 2. BACKGROUND

.01 Section 103(a) provides that, except as provided in section 103(b), gross income does not include interest on any state or local bond. Section 103(b)(1) provides that section 103(a) shall not apply to any private activity bond that is not a “qualified bond” within the meaning of section 141. Section 141(e) provides, in part, that the term “qualified bond” means any private activity bond if such bond (1) is a qualified mortgage bond under section 143, (2) meets the volume cap requirements under section 146, and (3) meets the applicable requirements under section 147.

.02 Section 143(a)(1) provides that the term “qualified mortgage bond” means a bond that is issued as part of a qualified mortgage issue. Section 143(a)(2)(A) provides that the term “qualified mortgage issue” means an issue of one or more bonds by a state or political subdivision thereof, but only if: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve) are to be used to finance owner-occupied residences; (ii) the issue meets the requirements of subsections (c), (d), (e), (f), (g), (h), (i), and (m)(7) of section 143; (iii) the issue does not meet the private business tests of paragraphs (1) and (2) of section 141(b); and (iv) with respect to amounts received more than 10 years after the date of issuance, repayments of \$250,000 or more of principal on mortgage financing provided by the issue are used by

the close of the first semiannual period beginning after the date the prepayment (or complete repayment) is received to redeem bonds that are part of the issue.

Average Area Purchase Price

.03 Section 143(e)(1) provides that an issue of bonds meets the purchase price requirements of section 143(e) if the acquisition cost of each residence financed by the issue does not exceed 90 percent of the average area purchase price applicable to such residence. Section 143(e)(5) provides that, in the case of a targeted area residence (as defined in section 143(j)), section 143(e)(1) shall be applied by substituting 110 percent for 90 percent.

.04 Section 143(e)(2) provides that the term “average area purchase price” means, with respect to any residence, the average purchase price of single-family residences (in the statistical area in which the residence is located) that were purchased during the most recent 12-month period for which sufficient statistical information is available. Under sections 143(e)(3) and (4), respectively, separate determinations are to be made for new and existing residences, and for two-, three-, and four-family residences.

.05 Section 143(e)(2) provides that the determination of the average area purchase price for a statistical area shall be made as of the date on which the commitment to provide the financing is made or, if earlier, the date of the purchase of the residence.

.06 Section 143(k)(2)(A) provides that the term “statistical area” means (i) a metropolitan statistical area (MSA), and (ii) any county (or the portion thereof) that is not within an MSA. Section 143(k)(2)(C) further provides that if sufficient recent statistical information with respect to a county (or portion thereof) is unavailable, the Secretary may substitute another area for which there is sufficient recent statistical information for such county (or portion thereof). In the case of any portion of a State which is not within a county, section 143(k)(2)(D) provides that the Secretary may designate as a county any area that is the equivalent of a county. Section 6a.103A–1(b)(4)(i) of the Temporary Income Tax Regulations (issued under section 103A of the Internal Revenue Code of 1954, the predecessor of section 143) provides that the term “State”

includes a possession of the United States and the District of Columbia.

.07 Section 6a.103A-2(f)(5)(i) provides that an issuer may rely upon the average area purchase price safe harbors published by the Department of the Treasury for the statistical area in which a residence is located. Section 6a.103A-2(f)(5)(i) further provides that an issuer may use an average area purchase price limitation different from the published safe harbor if the issuer has more accurate and comprehensive data for the statistical area.

Qualified Mortgage Credit Certificate Program

.08 Section 25(c) permits a state or political subdivision to establish a qualified mortgage credit certificate program. In general, a qualified mortgage credit certificate program is a program under which the issuing authority elects not to issue an amount of private activity bonds that it may otherwise issue during the calendar year under section 146, and in their place, issues mortgage credit certificates to taxpayers in connection with the acquisition of their principal residences. Section 25(a)(1) provides, in general, that the holder of a mortgage credit certificate may claim a federal income tax credit equal to the product of the credit rate specified in the certificate and the interest paid or accrued during the tax year on the remaining principal of the indebtedness incurred to acquire the residence. Section 25(c)(2)(A)(iii)(III) generally provides that residences acquired in connection with the issuance of mortgage credit certificates must meet the purchase price requirements of section 143(e).

Income Limitations for Qualified Mortgage Bonds and Mortgage Credit Certificates

.09 Section 143(f) imposes limitations on the income of mortgagors for whom financing may be provided by qualified mortgage bonds. In addition, section 25(c)(2)(A)(iii)(IV) provides that holders of mortgage credit certificates must meet the income requirement of section 143(f). Generally, under sections 143(f)(1) and 25(c)(2)(A)(iii)(IV), the income requirement is met only if all owner-financing under a qualified mortgage bond and all

mortgage credit certificates issued under a qualified mortgage credit certificate program are provided to mortgagors whose family income is 115 percent or less of the applicable median family income. Section 143(f)(5), however, generally provides for an upward adjustment to the percentage limitation in high housing cost areas. High housing cost areas are defined in section 143(f)(5)(C) as any statistical area for which the housing cost/income ratio is greater than 1.2.

.10 Under section 143(f)(5)(D), the housing cost/income ratio with respect to any statistical area is determined by dividing (a) the applicable housing price ratio for such area by (b) the ratio that the area median gross income for such area bears to the median gross income for the United States. The applicable housing price ratio is the new housing price ratio (new housing average area purchase price divided by the new housing average purchase price for the United States) or the existing housing price ratio (existing housing average area purchase price divided by the existing housing average purchase price for the United States), whichever results in the housing cost/income ratio being closer to 1.

Average Area and Nationwide Purchase Price Limitations

.11 Average area purchase price safe harbors for each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam were last published in Rev. Proc. 2011-23, 2011-15 I.R.B. 626.

.12 The nationwide average purchase price limitation was last published in section 4.02 of Rev. Proc. 2011-23. Guidance with respect to the United States and area median gross income figures that are to be used in computing the housing cost/income ratio described in section 143(f)(5) was last published in Rev. Proc. 2012-16, 2012-10 I.R.B. 452.

.13 This revenue procedure uses FHA loan limits for a given statistical area to calculate the average area purchase price safe harbor for that area. FHA sets limits on the dollar value of loans it will insure based on median home prices and conforming loan limits established by the Federal Home Loan Mortgage Corporation. In particular, FHA sets an area's loan

limit at 95 percent of the median home sales price for the area, subject to certain floors and caps measured against conforming loan limits.

.14 To calculate the average area purchase price safe harbors in this revenue procedure, the FHA loan limits are adjusted to take into account the differences between average and median purchase prices. Because FHA loan limits do not differentiate between new and existing residences, this revenue procedure contains a single average area purchase price safe harbor for both new and existing residences in a statistical area. The Treasury Department and the Internal Revenue Service have determined that FHA loan limits provide a reasonable basis for determining average area purchase price safe harbors. If the Treasury Department and the Internal Revenue Service become aware of other sources of average purchase price data, including data that differentiate between new and existing residences, consideration will be given as to whether such data provide a more accurate method for calculating average area purchase price safe harbors.

.15 The average area purchase price safe harbors listed in section 4.01 of this revenue procedure are based on FHA loan limits released December 02, 2011. FHA loan limits are available for statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam. See section 3.03 of this revenue procedure with respect to FHA loan limits revised after December 02, 2011.

.16 OMB Bulletin No. 03-04, dated and effective June 6, 2003, revised the definitions of the nation's metropolitan areas and recognized 49 new metropolitan statistical areas. The OMB bulletin no longer includes primary metropolitan statistical areas.

SECTION 3. APPLICATION

Average Area Purchase Price Safe Harbors

.01 Average area purchase price safe harbors for statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam are set forth in section 4.01 of this revenue

procedure. Average area purchase price safe harbors are provided for single-family and two to four-family residences. For each type of residence, section 4.01 of this revenue procedure contains a single safe harbor that may be used for both new and existing residences. Issuers of qualified mortgage bonds and issuers of mortgage credit certificates may rely on these safe harbors to satisfy the requirements of sections 143(e) and (f). Section 4.01 of this revenue procedure provides safe harbors for MSAs and for certain counties and county equivalents. If no purchase price safe harbor is available for a statistical area, the safe harbor for “ALL OTHER AREAS” may be used for that statistical area.

.02 If a residence is in an MSA, the safe harbor applicable to it is the limitation of that MSA. If an MSA falls in more than one state, the MSA is listed in section 4.01 of this revenue procedure under each state.

.03 If the FHA revises the FHA loan limit for any statistical area after December 02, 2011, an issuer of qualified mortgage bonds or mortgage credit certificates may use the revised FHA loan limit for that statistical area to compute (as provided in the next sentence) a revised average area purchase price safe harbor for the statistical area provided that the issuer maintains records evidencing the revised FHA loan limit. The revised average area purchase price safe harbor for that statistical area is computed by dividing the revised FHA loan limit by .975.

.04 If, pursuant to section 6a.103A–2(f)(5)(i), an issuer uses more

accurate and comprehensive data to determine the average area purchase price for a statistical area, the issuer must make separate average area purchase price determinations for new and existing residences. Moreover, when computing the average area purchase price for a statistical area that is an MSA, as defined in OMB Bulletin No. 03–04, the issuer must make the computation for the entire applicable MSA. When computing the average area purchase price for a statistical area that is not an MSA, the issuer must make the computation for the entire statistical area and may not combine statistical areas. Thus, for example, the issuer may not combine two or more counties.

.05 If an issuer receives a ruling permitting it to rely on an average area purchase price limitation that is higher than the applicable safe harbor in this revenue procedure, the issuer may rely on that higher limitation for the purpose of satisfying the requirements of section 143(e) and (f) for bonds sold, and mortgage credit certificates issued, not more than 30 months following the termination date of the 12-month period used by the issuer to compute the limitation.

Nationwide Average Purchase Price

.06 Section 4.02 of this revenue procedure sets forth a single nationwide average purchase price for purposes of computing the housing cost/income ratio under section 143(f)(5).

.07 Issuers must use the nationwide average purchase price set forth in section

4.02 of this revenue procedure when computing the housing cost/income ratio under section 143(f)(5) regardless of whether they are relying on the average area purchase price safe harbors contained in this revenue procedure or using more accurate and comprehensive data to determine average area purchase prices for new and existing residences for a statistical area that are different from the published safe harbors in this revenue procedure.

.08 If, pursuant to section 6.02 of this revenue procedure, an issuer relies on the average area purchase price safe harbors contained in Rev. Proc. 2011–23, the issuer must use the nationwide average purchase price set forth in section 4.02 of Rev. Proc. 2011–23 in computing the housing cost/income ratio under section 143(f)(5). Likewise, if, pursuant to section 6.05 of this revenue procedure, an issuer relies on the nationwide average purchase price published in Rev. Proc. 2011–23, the issuer may not rely on the average area purchase price safe harbors published in this revenue procedure.

SECTION 4. AVERAGE AREA AND NATIONWIDE AVERAGE PURCHASE PRICES

.01 Average area purchase prices for single-family and two to four-family residences in MSAs, and for certain counties and county equivalents are set forth below. The safe harbor for “ALL OTHER AREAS” (found at the end of the table below) may be used for a statistical area that is not listed below.

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
ALEUTIANS WEST	AK	\$365,641	\$468,051	\$565,795	\$703,128
ANCHORAGE	AK	\$356,410	\$456,256	\$551,538	\$685,385
BRISTOL BAY	AK	\$300,769	\$385,026	\$465,385	\$578,410
DENALI	AK	\$324,359	\$415,231	\$501,897	\$623,744
DILLINGHAM	AK	\$341,026	\$436,564	\$527,692	\$655,795
FAIRBANKS NORTH	AK	\$324,359	\$415,231	\$501,897	\$623,744
JUNEAU	AK	\$408,974	\$523,538	\$632,872	\$786,513
KETCHIKAN GATEW	AK	\$330,256	\$422,769	\$511,026	\$635,128
KODIAK ISLAND	AK	\$343,231	\$439,385	\$531,128	\$660,051
MATANUSKA-SUSIT	AK	\$356,410	\$456,256	\$551,538	\$685,385
NOME	AK	\$281,897	\$360,872	\$436,205	\$542,103
NORTH SLOPE	AK	\$314,923	\$403,128	\$487,333	\$605,641
PETERSBURG CENS	AK	\$297,231	\$380,513	\$459,949	\$571,590

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
SITKA	AK	\$442,308	\$566,205	\$684,462	\$850,615
VALDEZ-CORDOVA	AK	\$278,359	\$356,359	\$430,718	\$535,282
YAKUTAT CITY	AK	\$398,667	\$510,359	\$616,923	\$766,667
BALDWIN	AL	\$292,308	\$374,205	\$452,308	\$562,103
RUSSELL	AL	\$297,231	\$380,513	\$459,949	\$571,590
APACHE	AZ	\$288,462	\$369,282	\$446,359	\$554,718
COCONINO	AZ	\$461,538	\$590,821	\$714,205	\$887,590
GILA	AZ	\$333,333	\$426,718	\$515,795	\$641,026
MARICOPA	AZ	\$355,128	\$454,615	\$549,538	\$682,923
MOHAVE	AZ	\$330,769	\$423,436	\$511,846	\$636,103
NAVAJO	AZ	\$316,667	\$405,385	\$490,000	\$608,974
PIMA	AZ	\$324,359	\$415,231	\$501,897	\$623,744
PINAL	AZ	\$355,128	\$454,615	\$549,538	\$682,923
YAVAPAI	AZ	\$400,000	\$512,051	\$618,974	\$769,231
ALAMEDA	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
ALPINE	CA	\$561,538	\$718,872	\$868,923	\$1,079,897
AMADOR	CA	\$455,128	\$582,615	\$704,256	\$875,231
BUTTE	CA	\$410,256	\$525,179	\$634,821	\$788,974
CALAVERAS	CA	\$474,359	\$607,231	\$734,051	\$912,256
COLUSA	CA	\$407,692	\$521,897	\$630,872	\$784,000
CONTRA COSTA	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
DEL NORTE	CA	\$319,231	\$408,667	\$494,000	\$613,897
EL DORADO	CA	\$594,872	\$761,538	\$920,513	\$1,144,000
FRESNO	CA	\$391,026	\$500,564	\$605,077	\$751,949
GLENN	CA	\$294,872	\$377,487	\$456,308	\$567,077
HUMBOLDT	CA	\$403,846	\$516,974	\$624,923	\$776,615
IMPERIAL	CA	\$333,333	\$426,718	\$515,795	\$641,026
INYO	CA	\$448,718	\$574,410	\$694,359	\$862,923
KERN	CA	\$378,205	\$484,154	\$585,231	\$727,333
KINGS	CA	\$333,333	\$426,718	\$515,795	\$641,026
LAKE	CA	\$411,538	\$526,821	\$636,821	\$791,436
LASSEN	CA	\$292,308	\$374,205	\$452,308	\$562,103
LOS ANGELES	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MADERA	CA	\$435,897	\$558,000	\$674,513	\$838,256
MARIN	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MARIPOSA	CA	\$423,077	\$541,590	\$654,667	\$813,590
MENDOCINO	CA	\$525,641	\$672,923	\$813,385	\$1,010,872
MERCED	CA	\$484,615	\$620,410	\$749,897	\$931,949
MONO	CA	\$542,564	\$694,564	\$839,590	\$1,043,385
MONTEREY	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
NAPA	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
NEVADA	CA	\$576,923	\$738,564	\$892,769	\$1,109,487
ORANGE	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
PLACER	CA	\$594,872	\$761,538	\$920,513	\$1,144,000
PLUMAS	CA	\$420,513	\$538,308	\$650,718	\$808,667
RIVERSIDE	CA	\$512,821	\$656,513	\$793,538	\$986,205
SACRAMENTO	CA	\$594,872	\$761,538	\$920,513	\$1,144,000
SAN BENITO	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SAN BERNARDINO	CA	\$512,821	\$656,513	\$793,538	\$986,205

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
SAN DIEGO	CA	\$715,385	\$915,846	\$1,107,026	\$1,375,744
SAN FRANCISCO	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SAN JOAQUIN	CA	\$501,282	\$641,744	\$775,692	\$964,000
SAN LUIS OBISPO	CA	\$705,128	\$902,667	\$1,091,128	\$1,356,051
SAN MATEO	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SANTA BARBARA	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SANTA CLARA	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SANTA CRUZ	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SHASTA	CA	\$434,615	\$556,359	\$672,513	\$835,795
SIERRA	CA	\$312,564	\$400,103	\$483,641	\$601,077
SISKIYOU	CA	\$301,282	\$385,692	\$466,205	\$579,385
SOLANO	CA	\$571,795	\$732,000	\$884,821	\$1,099,641
SONOMA	CA	\$679,487	\$869,846	\$1,051,487	\$1,306,718
STANISLAUS	CA	\$434,615	\$556,359	\$672,513	\$835,795
SUTTER	CA	\$435,897	\$558,000	\$674,513	\$838,256
TEHAMA	CA	\$320,513	\$410,308	\$495,949	\$616,359
TULARE	CA	\$333,333	\$426,718	\$515,795	\$641,026
TUOLUMNE	CA	\$448,718	\$574,410	\$694,359	\$862,923
VENTURA	CA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
YOLO	CA	\$594,872	\$761,538	\$920,513	\$1,144,000
YUBA	CA	\$435,897	\$558,000	\$674,513	\$838,256
ADAMS	CO	\$416,667	\$533,385	\$644,769	\$801,282
ARAPAHOE	CO	\$416,667	\$533,385	\$644,769	\$801,282
ARCHULETA	CO	\$325,641	\$416,872	\$503,897	\$626,205
BOULDER	CO	\$471,795	\$603,949	\$730,051	\$907,282
BROOMFIELD	CO	\$416,667	\$533,385	\$644,769	\$801,282
CHAFFEE	CO	\$287,179	\$367,641	\$444,359	\$552,256
CLEAR CREEK	CO	\$416,667	\$533,385	\$644,769	\$801,282
DENVER	CO	\$416,667	\$533,385	\$644,769	\$801,282
DOUGLAS	CO	\$416,667	\$533,385	\$644,769	\$801,282
EAGLE	CO	\$748,462	\$958,154	\$1,158,205	\$1,439,385
ELBERT	CO	\$416,667	\$533,385	\$644,769	\$801,282
EL PASO	CO	\$333,333	\$426,718	\$515,795	\$641,026
GARFIELD	CO	\$435,897	\$558,000	\$674,513	\$838,256
GILPIN	CO	\$416,667	\$533,385	\$644,769	\$801,282
GRAND	CO	\$365,385	\$467,744	\$565,385	\$702,667
GUNNISON	CO	\$444,872	\$569,487	\$688,410	\$855,538
HINSDALE	CO	\$571,795	\$732,000	\$884,821	\$1,099,641
JEFFERSON	CO	\$416,667	\$533,385	\$644,769	\$801,282
LAKE	CO	\$748,462	\$958,154	\$1,158,205	\$1,439,385
LA PLATA	CO	\$455,128	\$582,615	\$704,256	\$875,231
LARIMER	CO	\$320,513	\$410,308	\$495,949	\$616,359
MESA	CO	\$380,769	\$487,436	\$589,231	\$732,256
MINERAL	CO	\$307,692	\$393,897	\$476,103	\$591,692
OURAY	CO	\$494,872	\$633,538	\$765,795	\$951,692
PARK	CO	\$416,667	\$533,385	\$644,769	\$801,282
PITKIN	CO	\$748,462	\$958,154	\$1,158,205	\$1,439,385
ROUTT	CO	\$692,308	\$886,256	\$1,071,333	\$1,331,385
SAN JUAN	CO	\$435,897	\$558,000	\$674,513	\$838,256
SAN MIGUEL	CO	\$667,949	\$855,077	\$1,033,590	\$1,284,513

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
SUMMIT	CO	\$748,462	\$958,154	\$1,158,205	\$1,439,385
TELLER	CO	\$333,333	\$426,718	\$515,795	\$641,026
WELD	CO	\$428,205	\$548,154	\$662,615	\$823,487
FAIRFIELD	CT	\$726,923	\$930,615	\$1,124,872	\$1,397,949
HARTFORD	CT	\$451,282	\$577,692	\$698,308	\$867,846
LITCHFIELD	CT	\$384,615	\$492,359	\$595,179	\$739,641
MIDDLESEX	CT	\$451,282	\$577,692	\$698,308	\$867,846
NEW HAVEN	CT	\$397,436	\$508,769	\$614,974	\$764,308
NEW LONDON	CT	\$408,974	\$523,538	\$632,872	\$786,513
TOLLAND	CT	\$451,282	\$577,692	\$698,308	\$867,846
WINDHAM	CT	\$279,487	\$357,795	\$432,462	\$537,487
DISTRICT OF COL	DC	\$748,462	\$958,154	\$1,158,205	\$1,439,385
KENT	DE	\$385,897	\$494,000	\$597,128	\$742,103
NEW CASTLE	DE	\$430,769	\$551,436	\$666,564	\$828,410
SUSSEX	DE	\$384,615	\$492,359	\$595,179	\$739,641
BAKER	FL	\$397,436	\$508,769	\$614,974	\$764,308
BAY	FL	\$406,410	\$520,256	\$628,872	\$781,538
BREVARD	FL	\$298,718	\$382,410	\$462,256	\$574,462
BROWARD	FL	\$434,615	\$556,359	\$672,513	\$835,795
CHARLOTTE	FL	\$303,846	\$388,974	\$470,154	\$584,308
CLAY	FL	\$397,436	\$508,769	\$614,974	\$764,308
COLLIER	FL	\$544,872	\$697,538	\$843,128	\$1,047,846
DUVAL	FL	\$397,436	\$508,769	\$614,974	\$764,308
FLAGLER	FL	\$294,872	\$377,487	\$456,308	\$567,077
FRANKLIN	FL	\$312,821	\$400,462	\$484,051	\$601,590
HERNANDO	FL	\$300,000	\$384,051	\$464,205	\$576,923
HILLSBOROUGH	FL	\$300,000	\$384,051	\$464,205	\$576,923
INDIAN RIVER	FL	\$291,026	\$372,564	\$450,308	\$559,641
LAKE	FL	\$362,821	\$464,462	\$561,436	\$697,744
LEE	FL	\$365,385	\$467,744	\$565,385	\$702,667
MANATEE	FL	\$453,846	\$580,974	\$702,308	\$872,769
MARTIN	FL	\$384,615	\$492,359	\$595,179	\$739,641
MIAMI-DADE	FL	\$434,615	\$556,359	\$672,513	\$835,795
MONROE	FL	\$748,462	\$958,154	\$1,158,205	\$1,439,385
NASSAU	FL	\$397,436	\$508,769	\$614,974	\$764,308
OKALOOSA	FL	\$320,513	\$410,308	\$495,949	\$616,359
ORANGE	FL	\$362,821	\$464,462	\$561,436	\$697,744
OSCEOLA	FL	\$362,821	\$464,462	\$561,436	\$697,744
PALM BEACH	FL	\$434,615	\$556,359	\$672,513	\$835,795
PASCO	FL	\$300,000	\$384,051	\$464,205	\$576,923
PINELLAS	FL	\$300,000	\$384,051	\$464,205	\$576,923
ST. JOHNS	FL	\$397,436	\$508,769	\$614,974	\$764,308
ST. LUCIE	FL	\$384,615	\$492,359	\$595,179	\$739,641
SARASOTA	FL	\$453,846	\$580,974	\$702,308	\$872,769
SEMINOLE	FL	\$362,821	\$464,462	\$561,436	\$697,744
SUMTER	FL	\$285,897	\$366,000	\$442,410	\$549,795
VOLUSIA	FL	\$311,538	\$398,821	\$482,051	\$599,128
WALTON	FL	\$372,092	\$476,308	\$575,795	\$715,538
BARROW	GA	\$355,128	\$454,615	\$549,538	\$682,923

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
BARTOW	GA	\$355,128	\$454,615	\$549,538	\$682,923
BRANTLEY	GA	\$283,333	\$362,718	\$438,410	\$544,872
BUTTS	GA	\$355,128	\$454,615	\$549,538	\$682,923
CARROLL	GA	\$355,128	\$454,615	\$549,538	\$682,923
CHATTAHOOCHEE	GA	\$297,231	\$380,513	\$459,949	\$571,590
CHEROKEE	GA	\$355,128	\$454,615	\$549,538	\$682,923
CLARKE	GA	\$306,410	\$392,256	\$474,154	\$589,231
CLAYTON	GA	\$355,128	\$454,615	\$549,538	\$682,923
COBB	GA	\$355,128	\$454,615	\$549,538	\$682,923
COWETA	GA	\$355,128	\$454,615	\$549,538	\$682,923
DAWSON	GA	\$355,128	\$454,615	\$549,538	\$682,923
DEKALB	GA	\$355,128	\$454,615	\$549,538	\$682,923
DOUGLAS	GA	\$355,128	\$454,615	\$549,538	\$682,923
FAYETTE	GA	\$355,128	\$454,615	\$549,538	\$682,923
FORSYTH	GA	\$355,128	\$454,615	\$549,538	\$682,923
FULTON	GA	\$355,128	\$454,615	\$549,538	\$682,923
GLYNN	GA	\$283,333	\$362,718	\$438,410	\$544,872
GREENE	GA	\$679,487	\$869,846	\$1,051,487	\$1,306,718
GWINNETT	GA	\$355,128	\$454,615	\$549,538	\$682,923
HARALSON	GA	\$355,128	\$454,615	\$549,538	\$682,923
HARRIS	GA	\$297,231	\$380,513	\$459,949	\$571,590
HEARD	GA	\$355,128	\$454,615	\$549,538	\$682,923
HENRY	GA	\$355,128	\$454,615	\$549,538	\$682,923
JASPER	GA	\$355,128	\$454,615	\$549,538	\$682,923
LAMAR	GA	\$355,128	\$454,615	\$549,538	\$682,923
MCINTOSH	GA	\$283,333	\$362,718	\$438,410	\$544,872
MADISON	GA	\$306,410	\$392,256	\$474,154	\$589,231
MARION	GA	\$297,231	\$380,513	\$459,949	\$571,590
MERIWETHER	GA	\$355,128	\$454,615	\$549,538	\$682,923
MUSCOGEE	GA	\$297,231	\$380,513	\$459,949	\$571,590
NEWTON	GA	\$355,128	\$454,615	\$549,538	\$682,923
OCONEE	GA	\$306,410	\$392,256	\$474,154	\$589,231
OGLETHORPE	GA	\$306,410	\$392,256	\$474,154	\$589,231
PAULDING	GA	\$355,128	\$454,615	\$549,538	\$682,923
PICKENS	GA	\$355,128	\$454,615	\$549,538	\$682,923
PIKE	GA	\$355,128	\$454,615	\$549,538	\$682,923
ROCKDALE	GA	\$355,128	\$454,615	\$549,538	\$682,923
SPALDING	GA	\$355,128	\$454,615	\$549,538	\$682,923
WALTON	GA	\$355,128	\$454,615	\$549,538	\$682,923
HAWAII	HI	\$634,615	\$812,410	\$982,051	\$1,220,410
HONOLULU	HI	\$814,103	\$1,042,205	\$1,259,795	\$1,565,590
KALAWAO	HI	\$734,615	\$940,462	\$1,136,769	\$1,412,769
KAUAI	HI	\$793,590	\$1,015,949	\$1,228,051	\$1,526,154
MAUI	HI	\$810,256	\$1,037,282	\$1,253,846	\$1,558,205
ADA	ID	\$311,538	\$398,821	\$482,051	\$599,128
ADAMS	ID	\$280,769	\$359,436	\$434,462	\$539,949
BLAINE	ID	\$748,462	\$958,154	\$1,158,205	\$1,439,385
BOISE	ID	\$311,538	\$398,821	\$482,051	\$599,128
CANYON	ID	\$311,538	\$398,821	\$482,051	\$599,128
GEM	ID	\$311,538	\$398,821	\$482,051	\$599,128

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
KOOTENAI	ID	\$293,590	\$375,846	\$454,308	\$564,564
OWYHEE	ID	\$311,538	\$398,821	\$482,051	\$599,128
TETON	ID	\$711,538	\$910,872	\$1,101,077	\$1,368,359
VALLEY	ID	\$474,359	\$607,231	\$734,051	\$912,256
BOND	IL	\$288,462	\$369,282	\$446,359	\$554,718
BOONE	IL	\$347,949	\$445,436	\$538,410	\$669,128
CALHOUN	IL	\$288,462	\$369,282	\$446,359	\$554,718
CLINTON	IL	\$288,462	\$369,282	\$446,359	\$554,718
COOK	IL	\$420,513	\$538,308	\$650,718	\$808,667
DEKALB	IL	\$420,513	\$538,308	\$650,718	\$808,667
DUPAGE	IL	\$420,513	\$538,308	\$650,718	\$808,667
GRUNDY	IL	\$420,513	\$538,308	\$650,718	\$808,667
JERSEY	IL	\$288,462	\$369,282	\$446,359	\$554,718
KANE	IL	\$420,513	\$538,308	\$650,718	\$808,667
KENDALL	IL	\$420,513	\$538,308	\$650,718	\$808,667
LAKE	IL	\$420,513	\$538,308	\$650,718	\$808,667
MCHENRY	IL	\$420,513	\$538,308	\$650,718	\$808,667
MACOUPIN	IL	\$288,462	\$369,282	\$446,359	\$554,718
MADISON	IL	\$288,462	\$369,282	\$446,359	\$554,718
MONROE	IL	\$288,462	\$369,282	\$446,359	\$554,718
ST. CLAIR	IL	\$288,462	\$369,282	\$446,359	\$554,718
WILL	IL	\$420,513	\$538,308	\$650,718	\$808,667
WINNEBAGO	IL	\$347,949	\$445,436	\$538,410	\$669,128
CLARK	IN	\$310,256	\$397,179	\$480,103	\$596,667
DEARBORN	IN	\$346,154	\$443,128	\$535,641	\$665,692
FLOYD	IN	\$310,256	\$397,179	\$480,103	\$596,667
FRANKLIN	IN	\$346,154	\$443,128	\$535,641	\$665,692
HARRISON	IN	\$310,256	\$397,179	\$480,103	\$596,667
JASPER	IN	\$420,513	\$538,308	\$650,718	\$808,667
LAKE	IN	\$420,513	\$538,308	\$650,718	\$808,667
NEWTON	IN	\$420,513	\$538,308	\$650,718	\$808,667
OHIO	IN	\$346,154	\$443,128	\$535,641	\$665,692
PORTER	IN	\$420,513	\$538,308	\$650,718	\$808,667
WASHINGTON	IN	\$310,256	\$397,179	\$480,103	\$596,667
BOONE	KY	\$346,154	\$443,128	\$535,641	\$665,692
BRACKEN	KY	\$346,154	\$443,128	\$535,641	\$665,692
BULLITT	KY	\$310,256	\$397,179	\$480,103	\$596,667
CAMPBELL	KY	\$346,154	\$443,128	\$535,641	\$665,692
GALLATIN	KY	\$346,154	\$443,128	\$535,641	\$665,692
GRANT	KY	\$346,154	\$443,128	\$535,641	\$665,692
HENRY	KY	\$310,256	\$397,179	\$480,103	\$596,667
JEFFERSON	KY	\$310,256	\$397,179	\$480,103	\$596,667
KENTON	KY	\$346,154	\$443,128	\$535,641	\$665,692
MEADE	KY	\$310,256	\$397,179	\$480,103	\$596,667
NELSON	KY	\$310,256	\$397,179	\$480,103	\$596,667
OLDHAM	KY	\$310,256	\$397,179	\$480,103	\$596,667
PENDLETON	KY	\$346,154	\$443,128	\$535,641	\$665,692
SHELBY	KY	\$310,256	\$397,179	\$480,103	\$596,667
SPENCER	KY	\$310,256	\$397,179	\$480,103	\$596,667

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
TRIMBLE	KY	\$310,256	\$397,179	\$480,103	\$596,667
ASCENSION	LA	\$287,179	\$367,641	\$444,359	\$552,256
EAST BATON ROUG	LA	\$287,179	\$367,641	\$444,359	\$552,256
EAST FELICIANA	LA	\$287,179	\$367,641	\$444,359	\$552,256
IBERVILLE	LA	\$287,179	\$367,641	\$444,359	\$552,256
JEFFERSON	LA	\$294,872	\$377,487	\$456,308	\$567,077
LIVINGSTON	LA	\$287,179	\$367,641	\$444,359	\$552,256
ORLEANS	LA	\$294,872	\$377,487	\$456,308	\$567,077
PLAQUEMINES	LA	\$294,872	\$377,487	\$456,308	\$567,077
POINTE COUPEE	LA	\$287,179	\$367,641	\$444,359	\$552,256
ST. BERNARD	LA	\$294,872	\$377,487	\$456,308	\$567,077
ST. CHARLES	LA	\$294,872	\$377,487	\$456,308	\$567,077
ST. HELENA	LA	\$287,179	\$367,641	\$444,359	\$552,256
ST. JOHN THE BA	LA	\$294,872	\$377,487	\$456,308	\$567,077
ST. TAMMANY	LA	\$294,872	\$377,487	\$456,308	\$567,077
WEST BATON ROUG	LA	\$287,179	\$367,641	\$444,359	\$552,256
WEST FELICIANA	LA	\$287,179	\$367,641	\$444,359	\$552,256
BARNSTABLE	MA	\$474,359	\$607,231	\$734,051	\$912,256
BRISTOL	MA	\$487,179	\$623,692	\$753,897	\$936,872
DUKES	MA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
ESSEX	MA	\$537,179	\$687,692	\$831,231	\$1,033,026
FRANKLIN	MA	\$326,923	\$418,513	\$505,897	\$628,718
HAMPDEN	MA	\$326,923	\$418,513	\$505,897	\$628,718
HAMPSHIRE	MA	\$326,923	\$418,513	\$505,897	\$628,718
MIDDLESEX	MA	\$537,179	\$687,692	\$831,231	\$1,033,026
NANTUCKET	MA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
NORFOLK	MA	\$537,179	\$687,692	\$831,231	\$1,033,026
PLYMOUTH	MA	\$537,179	\$687,692	\$831,231	\$1,033,026
SUFFOLK	MA	\$537,179	\$687,692	\$831,231	\$1,033,026
WORCESTER	MA	\$394,872	\$505,487	\$611,026	\$759,385
ANNE ARUNDEL	MD	\$574,359	\$735,282	\$888,769	\$1,104,564
BALTIMORE	MD	\$574,359	\$735,282	\$888,769	\$1,104,564
CALVERT	MD	\$748,462	\$958,154	\$1,158,205	\$1,439,385
CARROLL	MD	\$574,359	\$735,282	\$888,769	\$1,104,564
CECIL	MD	\$430,769	\$551,436	\$666,564	\$828,410
CHARLES	MD	\$748,462	\$958,154	\$1,158,205	\$1,439,385
FREDERICK	MD	\$748,462	\$958,154	\$1,158,205	\$1,439,385
GARRETT	MD	\$448,718	\$574,410	\$694,359	\$862,923
HARFORD	MD	\$574,359	\$735,282	\$888,769	\$1,104,564
HOWARD	MD	\$574,359	\$735,282	\$888,769	\$1,104,564
KENT	MD	\$352,564	\$451,333	\$545,538	\$678,000
MONTGOMERY	MD	\$748,462	\$958,154	\$1,158,205	\$1,439,385
PRINCE GEORGE'S	MD	\$748,462	\$958,154	\$1,158,205	\$1,439,385
QUEEN ANNE'S	MD	\$574,359	\$735,282	\$888,769	\$1,104,564
ST. MARY'S	MD	\$410,256	\$525,179	\$634,821	\$788,974
SOMERSET	MD	\$337,179	\$431,641	\$521,744	\$648,410
TALBOT	MD	\$455,128	\$582,615	\$704,256	\$875,231
WASHINGTON	MD	\$387,179	\$495,641	\$599,128	\$744,564
WICOMICO	MD	\$337,179	\$431,641	\$521,744	\$648,410

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
WORCESTER	MD	\$448,718	\$574,410	\$694,359	\$862,923
BALTIMORE CITY	MD	\$574,359	\$735,282	\$888,769	\$1,104,564
CUMBERLAND	ME	\$346,154	\$443,128	\$535,641	\$665,692
HANCOCK	ME	\$279,487	\$357,795	\$432,462	\$537,487
KNOX	ME	\$286,615	\$366,923	\$443,487	\$551,179
LINCOLN	ME	\$326,923	\$418,513	\$505,897	\$628,718
SAGADAHOC	ME	\$346,154	\$443,128	\$535,641	\$665,692
YORK	ME	\$346,154	\$443,128	\$535,641	\$665,692
BERRIEN	MI	\$306,410	\$392,256	\$474,154	\$589,231
KALAMAZOO	MI	\$293,590	\$375,846	\$454,308	\$564,564
LAPEER	MI	\$305,128	\$390,615	\$472,154	\$586,769
LENAWEE	MI	\$305,128	\$390,615	\$472,154	\$586,769
LIVINGSTON	MI	\$305,128	\$390,615	\$472,154	\$586,769
MACOMB	MI	\$305,128	\$390,615	\$472,154	\$586,769
MONROE	MI	\$305,128	\$390,615	\$472,154	\$586,769
OAKLAND	MI	\$305,128	\$390,615	\$472,154	\$586,769
ST. CLAIR	MI	\$305,128	\$390,615	\$472,154	\$586,769
VAN BUREN	MI	\$293,590	\$375,846	\$454,308	\$564,564
WASHTENAW	MI	\$353,846	\$452,974	\$547,538	\$680,462
WAYNE	MI	\$305,128	\$390,615	\$472,154	\$586,769
ANOKA	MN	\$374,359	\$479,231	\$579,282	\$719,897
CARVER	MN	\$374,359	\$479,231	\$579,282	\$719,897
CHISAGO	MN	\$374,359	\$479,231	\$579,282	\$719,897
COOK	MN	\$303,846	\$388,974	\$470,154	\$584,308
DAKOTA	MN	\$374,359	\$479,231	\$579,282	\$719,897
HENNEPIN	MN	\$374,359	\$479,231	\$579,282	\$719,897
ISANTI	MN	\$374,359	\$479,231	\$579,282	\$719,897
RAMSEY	MN	\$374,359	\$479,231	\$579,282	\$719,897
SCOTT	MN	\$374,359	\$479,231	\$579,282	\$719,897
SHERBURNE	MN	\$374,359	\$479,231	\$579,282	\$719,897
WASHINGTON	MN	\$374,359	\$479,231	\$579,282	\$719,897
WRIGHT	MN	\$374,359	\$479,231	\$579,282	\$719,897
CRAWFORD	MO	\$288,462	\$369,282	\$446,359	\$554,718
FRANKLIN	MO	\$288,462	\$369,282	\$446,359	\$554,718
JEFFERSON	MO	\$288,462	\$369,282	\$446,359	\$554,718
LINCOLN	MO	\$288,462	\$369,282	\$446,359	\$554,718
ST. CHARLES	MO	\$288,462	\$369,282	\$446,359	\$554,718
ST. LOUIS	MO	\$288,462	\$369,282	\$446,359	\$554,718
WARREN	MO	\$288,462	\$369,282	\$446,359	\$554,718
WASHINGTON	MO	\$288,462	\$369,282	\$446,359	\$554,718
ST. LOUIS CITY	MO	\$288,462	\$369,282	\$446,359	\$554,718
CARBON	MT	\$298,718	\$382,410	\$462,256	\$574,462
FLATHEAD	MT	\$309,026	\$395,590	\$478,205	\$594,256
GALLATIN	MT	\$396,154	\$507,128	\$613,026	\$761,846
JEFFERSON	MT	\$350,000	\$448,051	\$541,590	\$673,077
LAKE	MT	\$308,974	\$395,538	\$478,103	\$594,154
LEWIS AND CLARK	MT	\$350,000	\$448,051	\$541,590	\$673,077
MADISON	MT	\$288,974	\$369,949	\$447,179	\$555,692
MISSOULA	MT	\$298,718	\$382,410	\$462,256	\$574,462

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
RAVALLI	MT	\$311,538	\$398,821	\$482,051	\$599,128
SWEET GRASS	MT	\$355,128	\$454,615	\$549,538	\$682,923
YELLOWSTONE	MT	\$298,718	\$382,410	\$462,256	\$574,462
ANSON	NC	\$311,538	\$398,821	\$482,051	\$599,128
BRUNSWICK	NC	\$311,538	\$398,821	\$482,051	\$599,128
BUNCOMBE	NC	\$311,538	\$398,821	\$482,051	\$599,128
CABARRUS	NC	\$311,538	\$398,821	\$482,051	\$599,128
CAMDEN	NC	\$748,462	\$958,154	\$1,158,205	\$1,439,385
CARTERET	NC	\$294,872	\$377,487	\$456,308	\$567,077
CHATHAM	NC	\$343,231	\$439,385	\$531,128	\$660,051
CURRITUCK	NC	\$470,615	\$602,462	\$728,256	\$905,026
DARE	NC	\$471,795	\$603,949	\$730,051	\$907,282
DURHAM	NC	\$343,231	\$439,385	\$531,128	\$660,051
FRANKLIN	NC	\$302,564	\$387,333	\$468,205	\$581,846
GASTON	NC	\$311,538	\$398,821	\$482,051	\$599,128
HAYWOOD	NC	\$311,538	\$398,821	\$482,051	\$599,128
HENDERSON	NC	\$311,538	\$398,821	\$482,051	\$599,128
HYDE	NC	\$495,385	\$634,154	\$766,564	\$952,667
JOHNSTON	NC	\$302,564	\$387,333	\$468,205	\$581,846
MADISON	NC	\$311,538	\$398,821	\$482,051	\$599,128
MECKLENBURG	NC	\$311,538	\$398,821	\$482,051	\$599,128
NEW HANOVER	NC	\$311,538	\$398,821	\$482,051	\$599,128
ONSLOW	NC	\$314,103	\$402,103	\$486,051	\$604,051
ORANGE	NC	\$343,231	\$439,385	\$531,128	\$660,051
PASQUOTANK	NC	\$748,462	\$958,154	\$1,158,205	\$1,439,385
PENDER	NC	\$311,538	\$398,821	\$482,051	\$599,128
PERQUIMANS	NC	\$748,462	\$958,154	\$1,158,205	\$1,439,385
PERSON	NC	\$343,231	\$439,385	\$531,128	\$660,051
TRANSYLVANIA	NC	\$301,282	\$385,692	\$466,205	\$579,385
UNION	NC	\$311,538	\$398,821	\$482,051	\$599,128
WAKE	NC	\$302,564	\$387,333	\$468,205	\$581,846
WATAUGA	NC	\$292,308	\$374,205	\$452,308	\$562,103
BILLINGS	ND	\$312,564	\$400,103	\$483,641	\$601,077
STARK	ND	\$312,564	\$400,103	\$483,641	\$601,077
BELKNAP	NH	\$288,462	\$369,282	\$446,359	\$554,718
GRAFTON	NH	\$288,462	\$369,282	\$446,359	\$554,718
HILLSBOROUGH	NH	\$412,821	\$528,462	\$638,821	\$793,897
MERRIMACK	NH	\$310,256	\$397,179	\$480,103	\$596,667
ROCKINGHAM	NH	\$537,179	\$687,692	\$831,231	\$1,033,026
STRAFFORD	NH	\$537,179	\$687,692	\$831,231	\$1,033,026
ATLANTIC	NJ	\$465,385	\$595,744	\$720,154	\$894,974
BERGEN	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
BURLINGTON	NJ	\$430,769	\$551,436	\$666,564	\$828,410
CAMDEN	NJ	\$430,769	\$551,436	\$666,564	\$828,410
CAPE MAY	NJ	\$500,000	\$640,103	\$773,692	\$961,538
CUMBERLAND	NJ	\$415,385	\$531,744	\$642,769	\$798,821
ESSEX	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
GLOUCESTER	NJ	\$430,769	\$551,436	\$666,564	\$828,410
HUDSON	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
HUNTERDON	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MERCER	NJ	\$451,282	\$577,692	\$698,308	\$867,846
MIDDLESEX	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MONMOUTH	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MORRIS	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
OCEAN	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
PASSAIC	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SALEM	NJ	\$430,769	\$551,436	\$666,564	\$828,410
SOMERSET	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SUSSEX	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
UNION	NJ	\$748,462	\$958,154	\$1,158,205	\$1,439,385
WARREN	NJ	\$412,821	\$528,462	\$638,821	\$793,897
LOS ALAMOS	NM	\$390,410	\$499,795	\$604,103	\$750,769
SAN JUAN	NM	\$288,462	\$369,282	\$446,359	\$554,718
SANTA FE	NM	\$438,462	\$561,282	\$678,462	\$843,179
TAOS	NM	\$293,692	\$375,949	\$454,462	\$564,769
CLARK	NV	\$410,256	\$525,179	\$634,821	\$788,974
DOUGLAS	NV	\$480,769	\$615,487	\$743,949	\$924,564
ELKO	NV	\$333,333	\$426,718	\$515,795	\$641,026
EUREKA	NV	\$333,333	\$426,718	\$515,795	\$641,026
LYON	NV	\$339,744	\$434,923	\$525,744	\$653,333
NYE	NV	\$333,333	\$426,718	\$515,795	\$641,026
STOREY	NV	\$414,103	\$530,103	\$640,769	\$796,359
WASHOE	NV	\$414,103	\$530,103	\$640,769	\$796,359
CARSON CITY	NV	\$408,974	\$523,538	\$632,872	\$786,513
ALBANY	NY	\$320,513	\$410,308	\$495,949	\$616,359
BRONX	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
COLUMBIA	NY	\$283,333	\$362,718	\$438,410	\$544,872
DUTCHESS	NY	\$455,128	\$582,615	\$704,256	\$875,231
ERIE	NY	\$283,333	\$362,718	\$438,410	\$544,872
KINGS	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MADISON	NY	\$288,462	\$369,282	\$446,359	\$554,718
NASSAU	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
NEW YORK	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
NIAGARA	NY	\$283,333	\$362,718	\$438,410	\$544,872
ONONDAGA	NY	\$288,462	\$369,282	\$446,359	\$554,718
ORANGE	NY	\$455,128	\$582,615	\$704,256	\$875,231
OSWEGO	NY	\$288,462	\$369,282	\$446,359	\$554,718
PUTNAM	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
QUEENS	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
RENSSELAER	NY	\$320,513	\$410,308	\$495,949	\$616,359
RICHMOND	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
ROCKLAND	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SARATOGA	NY	\$320,513	\$410,308	\$495,949	\$616,359
SCHENECTADY	NY	\$320,513	\$410,308	\$495,949	\$616,359
SCHOHARIE	NY	\$320,513	\$410,308	\$495,949	\$616,359
SUFFOLK	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385
ULSTER	NY	\$416,667	\$533,385	\$644,769	\$801,282
WESTCHESTER	NY	\$748,462	\$958,154	\$1,158,205	\$1,439,385

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
ASHTABULA	OH	\$298,718	\$382,410	\$462,256	\$574,462
ATHENS	OH	\$443,590	\$567,846	\$686,410	\$853,077
BROWN	OH	\$346,154	\$443,128	\$535,641	\$665,692
BUTLER	OH	\$346,154	\$443,128	\$535,641	\$665,692
CARROLL	OH	\$284,615	\$364,359	\$440,410	\$547,333
CLERMONT	OH	\$346,154	\$443,128	\$535,641	\$665,692
CUYAHOGA	OH	\$306,410	\$392,256	\$474,154	\$589,231
DELAWARE	OH	\$350,000	\$448,051	\$541,590	\$673,077
FAIRFIELD	OH	\$350,000	\$448,051	\$541,590	\$673,077
FRANKLIN	OH	\$350,000	\$448,051	\$541,590	\$673,077
GEAUGA	OH	\$306,410	\$392,256	\$474,154	\$589,231
GREENE	OH	\$278,205	\$356,154	\$430,513	\$535,026
HAMILTON	OH	\$346,154	\$443,128	\$535,641	\$665,692
LAKE	OH	\$306,410	\$392,256	\$474,154	\$589,231
LICKING	OH	\$350,000	\$448,051	\$541,590	\$673,077
LORAIN	OH	\$306,410	\$392,256	\$474,154	\$589,231
MADISON	OH	\$350,000	\$448,051	\$541,590	\$673,077
MEDINA	OH	\$306,410	\$392,256	\$474,154	\$589,231
MERCER	OH	\$300,000	\$384,051	\$464,205	\$576,923
MIAMI	OH	\$278,205	\$356,154	\$430,513	\$535,026
MONTGOMERY	OH	\$278,205	\$356,154	\$430,513	\$535,026
MORROW	OH	\$350,000	\$448,051	\$541,590	\$673,077
PICKAWAY	OH	\$350,000	\$448,051	\$541,590	\$673,077
PORTAGE	OH	\$338,462	\$433,282	\$523,744	\$650,872
PREBLE	OH	\$278,205	\$356,154	\$430,513	\$535,026
STARK	OH	\$284,615	\$364,359	\$440,410	\$547,333
SUMMIT	OH	\$338,462	\$433,282	\$523,744	\$650,872
UNION	OH	\$350,000	\$448,051	\$541,590	\$673,077
VAN WERT	OH	\$308,974	\$395,538	\$478,103	\$594,154
WARREN	OH	\$346,154	\$443,128	\$535,641	\$665,692
BENTON	OR	\$346,154	\$443,128	\$535,641	\$665,692
CLACKAMAS	OR	\$429,487	\$549,795	\$664,615	\$825,949
CLATSOP	OR	\$356,410	\$456,256	\$551,538	\$685,385
COLUMBIA	OR	\$429,487	\$549,795	\$664,615	\$825,949
CURRY	OR	\$360,256	\$461,179	\$557,487	\$692,821
DESCHUTES	OR	\$458,974	\$587,538	\$710,205	\$882,667
HOOD RIVER	OR	\$403,846	\$516,974	\$624,923	\$776,615
JACKSON	OR	\$433,333	\$554,718	\$670,564	\$833,333
JOSEPHINE	OR	\$333,333	\$426,718	\$515,795	\$641,026
LANE	OR	\$352,564	\$451,333	\$545,538	\$678,000
LINCOLN	OR	\$320,513	\$410,308	\$495,949	\$616,359
MARION	OR	\$302,564	\$387,333	\$468,205	\$581,846
MULTNOMAH	OR	\$429,487	\$549,795	\$664,615	\$825,949
POLK	OR	\$302,564	\$387,333	\$468,205	\$581,846
TILLAMOOK	OR	\$352,564	\$451,333	\$545,538	\$678,000
WASHINGTON	OR	\$429,487	\$549,795	\$664,615	\$825,949
YAMHILL	OR	\$429,487	\$549,795	\$664,615	\$825,949
ALLEGHENY	PA	\$335,897	\$430,000	\$519,795	\$645,949
ARMSTRONG	PA	\$335,897	\$430,000	\$519,795	\$645,949
BEAVER	PA	\$335,897	\$430,000	\$519,795	\$645,949

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
BERKS	PA	\$307,692	\$393,897	\$476,103	\$591,692
BUCKS	PA	\$430,769	\$551,436	\$666,564	\$828,410
BUTLER	PA	\$335,897	\$430,000	\$519,795	\$645,949
CARBON	PA	\$412,821	\$528,462	\$638,821	\$793,897
CENTRE	PA	\$287,179	\$367,641	\$444,359	\$552,256
CHESTER	PA	\$430,769	\$551,436	\$666,564	\$828,410
DELAWARE	PA	\$430,769	\$551,436	\$666,564	\$828,410
FAYETTE	PA	\$335,897	\$430,000	\$519,795	\$645,949
LANCASTER	PA	\$393,590	\$503,846	\$609,026	\$756,923
LEHIGH	PA	\$412,821	\$528,462	\$638,821	\$793,897
MONTGOMERY	PA	\$430,769	\$551,436	\$666,564	\$828,410
NORTHAMPTON	PA	\$412,821	\$528,462	\$638,821	\$793,897
PHILADELPHIA	PA	\$430,769	\$551,436	\$666,564	\$828,410
PIKE	PA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
WASHINGTON	PA	\$335,897	\$430,000	\$519,795	\$645,949
WESTMORELAND	PA	\$335,897	\$430,000	\$519,795	\$645,949
YORK	PA	\$435,897	\$558,000	\$674,513	\$838,256
BRISTOL	RI	\$487,179	\$623,692	\$753,897	\$936,872
KENT	RI	\$487,179	\$623,692	\$753,897	\$936,872
NEWPORT	RI	\$487,179	\$623,692	\$753,897	\$936,872
PROVIDENCE	RI	\$487,179	\$623,692	\$753,897	\$936,872
WASHINGTON	RI	\$487,179	\$623,692	\$753,897	\$936,872
BEAUFORT	SC	\$397,436	\$508,769	\$614,974	\$764,308
BERKELEY	SC	\$343,590	\$439,846	\$531,692	\$660,769
CHARLESTON	SC	\$343,590	\$439,846	\$531,692	\$660,769
DORCHESTER	SC	\$343,590	\$439,846	\$531,692	\$660,769
GEORGETOWN	SC	\$405,128	\$518,615	\$626,923	\$779,077
GREENVILLE	SC	\$302,564	\$387,333	\$468,205	\$581,846
HORRY	SC	\$293,590	\$375,846	\$454,308	\$564,564
JASPER	SC	\$397,436	\$508,769	\$614,974	\$764,308
LAURENS	SC	\$302,564	\$387,333	\$468,205	\$581,846
PICKENS	SC	\$302,564	\$387,333	\$468,205	\$581,846
YORK	SC	\$311,538	\$398,821	\$482,051	\$599,128
CANNON	TN	\$443,590	\$567,846	\$686,410	\$853,077
CHEATHAM	TN	\$443,590	\$567,846	\$686,410	\$853,077
DAVIDSON	TN	\$443,590	\$567,846	\$686,410	\$853,077
DICKSON	TN	\$443,590	\$567,846	\$686,410	\$853,077
HICKMAN	TN	\$443,590	\$567,846	\$686,410	\$853,077
MACON	TN	\$443,590	\$567,846	\$686,410	\$853,077
ROBERTSON	TN	\$443,590	\$567,846	\$686,410	\$853,077
RUTHERFORD	TN	\$443,590	\$567,846	\$686,410	\$853,077
SMITH	TN	\$443,590	\$567,846	\$686,410	\$853,077
SUMNER	TN	\$443,590	\$567,846	\$686,410	\$853,077
TROUSDALE	TN	\$443,590	\$567,846	\$686,410	\$853,077
WILLIAMSON	TN	\$443,590	\$567,846	\$686,410	\$853,077
WILSON	TN	\$443,590	\$567,846	\$686,410	\$853,077
ATASCOSA	TX	\$341,026	\$436,564	\$527,692	\$655,795
BANDERA	TX	\$341,026	\$436,564	\$527,692	\$655,795
BASTROP	TX	\$296,154	\$379,128	\$458,256	\$569,538

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
BEXAR	TX	\$341,026	\$436,564	\$527,692	\$655,795
CALDWELL	TX	\$296,154	\$379,128	\$458,256	\$569,538
COMAL	TX	\$341,026	\$436,564	\$527,692	\$655,795
GUADALUPE	TX	\$341,026	\$436,564	\$527,692	\$655,795
HAYS	TX	\$296,154	\$379,128	\$458,256	\$569,538
JEFF DAVIS	TX	\$278,205	\$356,154	\$430,513	\$535,026
KENDALL	TX	\$341,026	\$436,564	\$527,692	\$655,795
MEDINA	TX	\$341,026	\$436,564	\$527,692	\$655,795
TRAVIS	TX	\$296,154	\$379,128	\$458,256	\$569,538
WILLIAMSON	TX	\$296,154	\$379,128	\$458,256	\$569,538
WILSON	TX	\$341,026	\$436,564	\$527,692	\$655,795
DAGGETT	UT	\$310,205	\$397,128	\$480,000	\$596,564
DAVIS	UT	\$407,692	\$521,897	\$630,872	\$784,000
JUAB	UT	\$332,051	\$425,077	\$513,795	\$638,564
KANE	UT	\$393,590	\$503,846	\$609,026	\$756,923
MORGAN	UT	\$407,692	\$521,897	\$630,872	\$784,000
RICH	UT	\$304,308	\$389,538	\$470,872	\$585,179
SALT LAKE	UT	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SUMMIT	UT	\$748,462	\$958,154	\$1,158,205	\$1,439,385
TOOELE	UT	\$748,462	\$958,154	\$1,158,205	\$1,439,385
UTAH	UT	\$332,051	\$425,077	\$513,795	\$638,564
WASATCH	UT	\$442,308	\$566,205	\$684,462	\$850,615
WASHINGTON	UT	\$382,051	\$489,077	\$591,179	\$734,718
WEBER	UT	\$407,692	\$521,897	\$630,872	\$784,000
ALBEMARLE	VA	\$448,205	\$573,795	\$693,538	\$861,949
AMELIA	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
AMHERST	VA	\$299,590	\$383,538	\$463,590	\$576,103
APPOMATTOX	VA	\$299,590	\$383,538	\$463,590	\$576,103
ARLINGTON	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
BEDFORD	VA	\$299,590	\$383,538	\$463,590	\$576,103
BOTETOURT	VA	\$287,179	\$367,641	\$444,359	\$552,256
CAMPBELL	VA	\$299,590	\$383,538	\$463,590	\$576,103
CAROLINE	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
CHARLES CITY	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
CHESTERFIELD	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
CLARKE	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
CRAIG	VA	\$287,179	\$367,641	\$444,359	\$552,256
CULPEPER	VA	\$392,308	\$502,205	\$607,077	\$754,462
CUMBERLAND	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
DINWIDDIE	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
ESSEX	VA	\$384,615	\$492,359	\$595,179	\$739,641
FAIRFAX	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
FAUQUIER	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
FLUVANNA	VA	\$448,205	\$573,795	\$693,538	\$861,949
FRANKLIN	VA	\$287,179	\$367,641	\$444,359	\$552,256
FREDERICK	VA	\$487,179	\$623,692	\$753,897	\$936,872
GILES	VA	\$299,590	\$383,538	\$463,590	\$576,103
GLOUCESTER	VA	\$470,615	\$602,462	\$728,256	\$905,026
GOOCHLAND	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
GREENE	VA	\$448,205	\$573,795	\$693,538	\$861,949

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
HANOVER	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
HENRICO	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
HIGHLAND	VA	\$294,872	\$377,487	\$456,308	\$567,077
ISLE OF WIGHT	VA	\$470,615	\$602,462	\$728,256	\$905,026
JAMES CITY	VA	\$470,615	\$602,462	\$728,256	\$905,026
KING AND QUEEN	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
KING GEORGE	VA	\$396,154	\$507,128	\$613,026	\$761,846
KING WILLIAM	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
LANCASTER	VA	\$558,974	\$715,590	\$864,974	\$1,074,974
LOUDOUN	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
LOUISA	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
MADISON	VA	\$284,615	\$364,359	\$440,410	\$547,333
MATHEWS	VA	\$470,615	\$602,462	\$728,256	\$905,026
MIDDLESEX	VA	\$338,462	\$433,282	\$523,744	\$650,872
MONTGOMERY	VA	\$299,590	\$383,538	\$463,590	\$576,103
NELSON	VA	\$448,205	\$573,795	\$693,538	\$861,949
NEW KENT	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
NORTHUMBERLAND	VA	\$402,564	\$515,333	\$622,923	\$774,154
ORANGE	VA	\$339,744	\$434,923	\$525,744	\$653,333
POWHATAN	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
PRINCE GEORGE	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
PRINCE WILLIAM	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
PULASKI	VA	\$299,590	\$383,538	\$463,590	\$576,103
RAPPAHANNOCK	VA	\$369,179	\$472,615	\$571,282	\$709,949
RICHMOND	VA	\$307,692	\$393,897	\$476,103	\$591,692
ROANOKE	VA	\$287,179	\$367,641	\$444,359	\$552,256
ROCKINGHAM	VA	\$284,256	\$363,897	\$439,846	\$546,615
SPOTSYLVANIA	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
STAFFORD	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
SURRY	VA	\$470,615	\$602,462	\$728,256	\$905,026
SUSSEX	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
WARREN	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
YORK	VA	\$470,615	\$602,462	\$728,256	\$905,026
ALEXANDRIA	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
BEDFORD IND	VA	\$299,590	\$383,538	\$463,590	\$576,103
CHARLOTTESVILLE	VA	\$448,205	\$573,795	\$693,538	\$861,949
CHESAPEAKE	VA	\$470,615	\$602,462	\$728,256	\$905,026
COLONIAL HEIGHT	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
FAIRFAX IND	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
FALLS CHURCH	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
FREDERICKSBURG	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
HAMPTON	VA	\$470,615	\$602,462	\$728,256	\$905,026
HARRISONBURG	VA	\$284,256	\$363,897	\$439,846	\$546,615
HOPEWELL	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
LEXINGTON	VA	\$303,846	\$388,974	\$470,154	\$584,308
LYNCHBURG	VA	\$299,590	\$383,538	\$463,590	\$576,103
MANASSAS	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MANASSAS PARK	VA	\$748,462	\$958,154	\$1,158,205	\$1,439,385
NEWPORT NEWS	VA	\$470,615	\$602,462	\$728,256	\$905,026
NORFOLK	VA	\$470,615	\$602,462	\$728,256	\$905,026

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
PETERSBURG	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
POQUOSON	VA	\$470,615	\$602,462	\$728,256	\$905,026
PORTSMOUTH	VA	\$470,615	\$602,462	\$728,256	\$905,026
RADFORD	VA	\$299,590	\$383,538	\$463,590	\$576,103
RICHMOND IND	VA	\$549,641	\$703,641	\$850,513	\$1,057,026
ROANOKE IND	VA	\$287,179	\$367,641	\$444,359	\$552,256
SALEM	VA	\$287,179	\$367,641	\$444,359	\$552,256
SUFFOLK	VA	\$470,615	\$602,462	\$728,256	\$905,026
VIRGINIA BEACH	VA	\$470,615	\$602,462	\$728,256	\$905,026
WILLIAMSBURG	VA	\$470,615	\$602,462	\$728,256	\$905,026
WINCHESTER	VA	\$487,179	\$623,692	\$753,897	\$936,872
BENNINGTON	VT	\$284,256	\$363,897	\$439,846	\$546,615
CHITTENDEN	VT	\$326,923	\$418,513	\$505,897	\$628,718
FRANKLIN	VT	\$326,923	\$418,513	\$505,897	\$628,718
GRAND ISLE	VT	\$326,923	\$418,513	\$505,897	\$628,718
LAMOILLE	VT	\$283,077	\$362,359	\$438,051	\$544,359
ORANGE	VT	\$288,462	\$369,282	\$446,359	\$554,718
WINDSOR	VT	\$288,462	\$369,282	\$446,359	\$554,718
BENTON	WA	\$282,051	\$361,077	\$436,462	\$542,410
CHELAN	WA	\$351,487	\$449,949	\$543,897	\$675,949
CLALLAM	WA	\$393,949	\$504,308	\$609,590	\$757,590
CLARK	WA	\$429,487	\$549,795	\$664,615	\$825,949
DOUGLAS	WA	\$351,487	\$449,949	\$543,897	\$675,949
FRANKLIN	WA	\$282,051	\$361,077	\$436,462	\$542,410
ISLAND	WA	\$391,026	\$500,564	\$605,077	\$751,949
JEFFERSON	WA	\$448,718	\$574,410	\$694,359	\$862,923
KING	WA	\$582,051	\$745,128	\$900,667	\$1,119,333
KITSAP	WA	\$487,179	\$623,692	\$753,897	\$936,872
KITTITAS	WA	\$337,179	\$431,641	\$521,744	\$648,410
MASON	WA	\$317,949	\$407,026	\$492,000	\$611,436
PIERCE	WA	\$582,051	\$745,128	\$900,667	\$1,119,333
SAN JUAN	WA	\$608,974	\$779,590	\$942,359	\$1,171,128
SKAGIT	WA	\$383,333	\$490,718	\$593,179	\$737,179
SKAMANIA	WA	\$429,487	\$549,795	\$664,615	\$825,949
SNOHOMISH	WA	\$582,051	\$745,128	\$900,667	\$1,119,333
THURSTON	WA	\$370,513	\$474,308	\$573,333	\$712,513
WHATCOM	WA	\$384,615	\$492,359	\$595,179	\$739,641
COLUMBIA	WI	\$301,282	\$385,692	\$466,205	\$579,385
DANE	WI	\$301,282	\$385,692	\$466,205	\$579,385
IOWA	WI	\$301,282	\$385,692	\$466,205	\$579,385
KENOSHA	WI	\$420,513	\$538,308	\$650,718	\$808,667
MILWAUKEE	WI	\$323,077	\$413,590	\$499,949	\$621,282
OZAUKEE	WI	\$323,077	\$413,590	\$499,949	\$621,282
PIERCE	WI	\$374,359	\$479,231	\$579,282	\$719,897
ST. CROIX	WI	\$374,359	\$479,231	\$579,282	\$719,897
WALWORTH	WI	\$285,897	\$366,000	\$442,410	\$549,795
WASHINGTON	WI	\$323,077	\$413,590	\$499,949	\$621,282
WAUKESHA	WI	\$323,077	\$413,590	\$499,949	\$621,282
BERKELEY	WV	\$387,179	\$495,641	\$599,128	\$744,564

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
HAMPSHIRE	WV	\$487,179	\$623,692	\$753,897	\$936,872
JEFFERSON	WV	\$748,462	\$958,154	\$1,158,205	\$1,439,385
MORGAN	WV	\$387,179	\$495,641	\$599,128	\$744,564
SHERIDAN	WY	\$279,487	\$357,795	\$432,462	\$537,487
SUBLETTE	WY	\$306,410	\$392,256	\$474,154	\$589,231
TETON	WY	\$711,538	\$910,872	\$1,101,077	\$1,368,359
MANUA	AS	\$312,821	\$400,462	\$484,051	\$601,590
GUAM	GU	\$667,949	\$855,077	\$1,033,590	\$1,284,513
NORTHERN ISLAND	MP	\$620,513	\$794,359	\$960,205	\$1,193,333
ROTA	MP	\$485,897	\$622,051	\$751,897	\$934,410
SAIPAN	MP	\$625,641	\$800,923	\$968,154	\$1,203,179
TINIAN	MP	\$629,487	\$805,846	\$974,103	\$1,210,564
AGUAS BUENAS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
AIBONITO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
ARECIBO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
BARCELONETA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
BARRANQUITAS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
BAYAMON	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CAGUAS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CAMUY	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CANOVANAS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CAROLINA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CATANO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CAYEY	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CEIBA	PR	\$333,333	\$426,718	\$515,795	\$641,026
CIALES	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
CIDRA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
COMERIO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
COROZAL	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
DORADO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
FAJARDO	PR	\$333,333	\$426,718	\$515,795	\$641,026
FLORIDA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
GUAYNABO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
GURABO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
HATILLO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
HUMACAO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
JUNCOS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
LAS PIEDRAS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
LOIZA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
LUQUILLO	PR	\$333,333	\$426,718	\$515,795	\$641,026
MANATI	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
MAUNABO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
MOROVIS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
NAGUABO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
NARANJITO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
OROCOVIS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
QUEBRADILLAS	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
RIO GRANDE	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
SAN JUAN	PR	\$621,795	\$796,000	\$962,205	\$1,195,795

2012 Average Area Purchase Prices for Mortgage Revenue Bonds

County Name	State	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
SAN LORENZO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
TOA ALTA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
TOA BAJA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
TRUJILLO ALTO	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
VEGA ALTA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
VEGA BAJA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
YABUCOA	PR	\$621,795	\$796,000	\$962,205	\$1,195,795
ST. CROIX	VI	\$336,154	\$430,308	\$520,154	\$646,462
ST. JOHN	VI	\$639,282	\$818,410	\$989,231	\$1,229,385
ST. THOMAS	VI	\$457,641	\$585,846	\$708,154	\$880,103
All other areas (floor):		\$278,000	\$355,897	\$430,154	\$534,615

.02 The nationwide average purchase price (for use in the housing cost/income ratio for new and existing residences) is \$214,000.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2011–23 is obsolete except as provided in section 6 of this revenue procedure.

SECTION 6. EFFECTIVE DATES

.01 Issuers may rely on this revenue procedure to determine average area purchase price safe harbors for commitments to provide financing or issue mortgage credit certificates that are made, or (if the purchase precedes the commitment) for residences that are purchased, in the period that begins on April 25, 2012, and ends on the date as of which the safe harbors contained in section 4.01 of this revenue procedure are rendered obsolete by a new revenue procedure.

.02 Notwithstanding section 5 of this revenue procedure, issuers may continue to rely on the average area purchase price safe harbors contained in Rev. Proc. 2011–23, with respect to bonds sold, or for mortgage credit certificates issued with respect to bond authority exchanged, before May 25, 2012, if the commitments to provide financing or issue mortgage credit certificates are made on or before June 24, 2012.

.03 Except as provided in section 6.04, issuers must use the nationwide average purchase price limitation contained in this revenue procedure for commitments

to provide financing or issue mortgage credit certificates that are made, or (if the purchase precedes the commitment) for residences that are purchased, in the period that begins on April 25, 2012, and ends on the date when the nationwide average purchase price limitation is rendered obsolete by a new revenue procedure.

.04 Notwithstanding sections 5 and 6.03 of this revenue procedure, issuers may continue to rely on the nationwide average purchase price set forth in Rev. Proc. 2011–23 with respect to bonds sold, or for mortgage credit certificates issued with respect to bond authority exchanged, before May 25, 2012, if the commitments to provide financing or issue mortgage credit certificates are made on or before June 24, 2012.

SECTION 7. REQUEST FOR COMMENTS

Code section 143 requires that the average area purchase prices be based on the most recent 12-month period for which sufficient statistical information is available. In order to ensure that the safe harbors reflect accurate and timely price information, the Treasury Department and the IRS are considering possible changes in the data source and method used for these safe harbors beginning in 2013. The alternative method under consideration would involve the use of certain currently available data from the Department of Housing and Urban Development (“HUD”) regarding county median housing purchase prices instead of the FHA loan limits. Certain aggregate HUD price data are available at <http://www.hud.gov/pub/chums>

under CY2012 FHA Forward Limits, and certain HUD price data for individual counties is available at <https://entp.hud.gov/idapp/html/hicostlook.cfm>.

Absent modifications, the use of HUD data on county median housing purchase prices potentially would result in significant declines in purchase price limits compared to prior limits, particularly in rural areas. The Treasury Department and the IRS are considering certain appropriate modifications to the HUD price data in implementing this alternative method.

One potential modification would be to consider setting floors on purchase price safe harbors. Potential approaches to setting floors on purchase prices might include national average prices, county average prices, rural county average prices, or some percentile of county average prices. For illustrative purposes only, set forth below are the floors on mean purchase prices that would result from using one of these approaches with 2012 data: (1) national average price (\$214,000); (2) county average price (\$174,862); (3) rural county average price (\$112,864); (4) 25th percentile of county average price (\$92,308); (5) 50th percentile of county average price (\$138,462); or (6) 75th percentile of county average price (\$214,103).

Another potential modification would be to consider transitional relief to phase in the effects of the changes over an extended period, as compared with a baseline of the 2012 purchase price safe harbors in section 4.01 of this revenue procedure. Potential phase-in periods might include a period of three years to five years. In addition, a technical modification will make adjustments for differences between

HUD median prices and the required average prices.

The Treasury Department and the IRS solicit public comments on this alternative method using current HUD data on county median housing purchase prices, including particularly comments on potential floors on prices and phase-in periods for the method, and on whether other methods or data sources should be used to calculate these safe harbors. Comments should be submitted in writing and can be e-mailed to notice.comments@irs.counsel.treas.gov (include "Rev. Proc. 2012-25" in the subject line) or mailed to Office of Associate Chief Counsel (Financial Institutions & Products), Re: Rev. Proc. 2012-25, CC:FIP:B5, Room 3547, 1111 Constitution Avenue, NW, Washington, DC 20224. The due date for the public comments is July 15, 2012. Comments that are submitted will be made available to the public.

SECTION 8. PAPERWORK REDUCTION ACT

The collection of information contained in this revenue procedure has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1877.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

This revenue procedure contains a collection of information requirement in section 3.03. The purpose of the collection of information is to verify the applicable FHA loan limit that issuers of qualified mortgage bonds and qualified mortgage certificates have used to calculate the

average area purchase price for a given metropolitan statistical area for purposes of section 143(e) and 25(c). The collection of information is required to obtain the benefit of using revisions to FHA loan limits to determine average area purchase prices. The likely respondents are state and local governments.

The estimated total annual reporting and/or recordkeeping burden is: 15 hours.

The estimated annual burden per respondent and/or recordkeeper: 15 minutes.

The estimated number of respondents and/or recordkeepers: 60.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

SECTION 9. DRAFTING INFORMATION

The principal authors of this revenue procedure are David E. White and Timothy L. Jones of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact David E. White at (202) 622-3980 (not a toll-free call).

*26 CFR 601.602: Tax forms and instructions.
(Also: Part 1, §§ 1, 223.)*

Rev. Proc. 2012-26

SECTION 1. PURPOSE

This revenue procedure provides the 2013 inflation adjusted amounts for Health

Savings Accounts (HSAs) as determined under § 223 of the Internal Revenue Code.

SECTION 2. 2013 INFLATION ADJUSTED ITEMS

Annual contribution limitation. For calendar year 2013, the annual limitation on deductions under § 223(b)(2)(A) for an individual with self-only coverage under a high deductible health plan is \$3,250. For calendar year 2013, the annual limitation on deductions under § 223(b)(2)(B) for an individual with family coverage under a high deductible health plan is \$6,450.

High deductible health plan. For calendar year 2013, a "high deductible health plan" is defined under § 223(c)(2)(A) as a health plan with an annual deductible that is not less than \$1,250 for self-only coverage or \$2,500 for family coverage, and the annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) do not exceed \$6,250 for self-only coverage or \$12,500 for family coverage.

SECTION 3. EFFECTIVE DATE

This revenue procedure is effective for calendar year 2013.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is Bill Ruane of Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding § 223 and HSAs, contact Leslie Paul at (202) 622-6080 (not a toll-free call). For further information regarding the calculation of the inflation adjustments in this revenue procedure, contact Mr. Ruane at (202) 622-4920 (not a toll-free call).

Part IV. Items of General Interest

Reporting Information Regarding Joint Ventures and Other Partnerships on Forms 990 and 990-EZ for Tax Year 2011

Announcement 2012-19

This announcement notifies filers of *Form 990, Return of Organization Exempt from Income Tax* and *Form 990-EZ, Short Form Return of Organization Exempt from Income Tax*, of a change in the 2011 Form 990-EZ and Form 990 Instructions. Except as noted below, it is now *optional* for tax year 2011 for filers to report their interests in the income, expenses, and assets of joint ventures and other partnerships in which they have an ownership interest using information from *Form 1065, U.S. Return of Partnership Income, Schedule K-1*.

The 2010 *Form 990 Instructions* state, in *Appendix F*, that the filing organization should report in Parts VIII, IX, and X its proportionate interests in a joint venture's or other partnership's revenue, expenses, and assets in accordance with the organization's books and records. To promote greater consistency, accuracy, and transparency in reporting this information, including unrelated business income from partnerships, the IRS revised the 2011

Form 990 and Form 990-EZ Instructions to require the filing organization to report such interests using information from the Form 1065, Schedule K-1 provided by the partnership.

Since publishing the 2011 Form 990 and Form 990-EZ Instructions in January 2012, the IRS has received comments from the public arguing that reporting organizations' interests in partnership assets using the organization's books and records provides a more accurate value of those assets than does reporting using Schedule K-1 information. Other commenters noted that using Schedule K-1 information can be burdensome and that organizations cannot report information from all Forms 1065, Schedules K-1 they receive because some partnerships do not submit those Forms until after the Form 990 filing due date. To more fully consider these comments, and to determine how best to promote compliance and transparency while minimizing burden in reporting of partnership interests, the IRS has decided to make the new Schedule K-1 reporting instructions for Forms 990 and 990-EZ optional for tax year 2011.

In reporting on the 2011 Form 990 or Form 990-EZ its proportionate interests in the income, expenses, and assets of partnerships in which it has an ownership interest, an organization generally may continue to report these interests based on

its books and records. However, as in prior years, organizations that complete *Form 990, Schedule H* and *Form 990, Schedule R* must continue to use information from Form 1065, Schedule K-1 in reporting certain partnership information on those schedules, as explained in the instructions for 2011 Form 990, Schedule H and 2011 Form 990, Schedule R.

The IRS welcomes further comments on whether and how the use of Form 1065, Schedule K-1 in reporting certain information on partnerships, as is currently required on Schedules H and R, should be extended to Parts VIII-X of the core Form 990, Form 990-EZ, and/or to other schedules. Comments may be submitted to Form990Revision@irs.gov or to:

Internal Revenue Service
Attn: Stephen Clarke
(Announcement 2012-19)
SE:T:EO
1111 Constitution Avenue, N.W. –
NCA 570-14
Washington, D.C. 20224

The principal author of this announcement is Stephen Clarke of the Tax Exempt and Government Entities Division. For further information regarding this announcement, please contact Mr. Clarke at (202) 283-9474 (not a toll-free number).

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.
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.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2011–27 through 2011–52 is in Internal Revenue Bulletin 2011–52, dated December 27, 2011.

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¹ A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2011–27 through 2011–52 is in Internal Revenue Bulletin 2011–52, dated December 27, 2011.

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