

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

Rev. Rul. 2004-85, page 189.

Effect of mergers on qualified subchapter S subsidiary (QSub) elections. This ruling discusses the effect certain interst transfers have on QSub and entity classification elections.

Rev. Rul. 2004-86, page 191.

Classification of Delaware statutory trust. This ruling explains how a Delaware statutory trust described in the ruling will be classified for federal tax purposes and whether a taxpayer may acquire an interest in the Delaware statutory trust without recognition of gain or loss under section 1031 of the Code. Rev. Ruls. 78-371 and 92-105 distinguished.

Notice 2004-50, page 196.

This notice consists of 88 questions and answers on Health Savings Accounts (HSAs) that have not been previously addressed. This notice also provides transition relief for months before January 1, 2005, for health plans, which would otherwise qualify as high deductible health plans (HDHPs) except for the absence of an express limit on out-of-pocket expenses. It also provides transition relief for months before January 1, 2006, for health plans which allow deductibles to be satisfied over a period of more than 12 months. Notice 2004-2 modified.

Notice 2004-53, page 209.

Requests for comments concerning the application of section 761. This notice requests comments regarding the application of section 761 of the Code and whether section 1.761-2(a)(2) of the regulations should be revised, modified, or clarified.

Notice 2004-54, page 209.

This notice provides that paid preparers will be permitted to sign original returns, amended returns, or requests for filing extensions by rubber stamp, mechanical device (such as signature pen), or computer software program.

Rev. Proc. 2004-49, page 210.

This procedure grants relief to S corporations that had a QSub election of a subsidiary terminate as a result of a transfer described in Situation 2 of Rev. Rul. 2004-85.

Rev. Proc. 2004-51, page 294.

Like-kind exchanges using qualified exchange accommodation arrangements. This procedure modifies Rev. Proc. 2000-37, 2000-2 C.B. 308, to provide that the safe harbor of Rev. Proc. 2000-37 does not apply to replacement property held in a qualified exchange accommodation arrangement if the property is owned by a taxpayer within the 180-day period ending on the date of transfer of qualified indicia of ownership of the property to an exchange accommodation titleholder. Rev. Proc. 2000-37 modified.

EXEMPT ORGANIZATIONS

Announcement 2004-65, page 300.

Heritage Resources II, Inc., of Mercer, PA and Total Impact Center for Youth, of Houston, TX, no longer qualify as organizations to which contributions are deductible under section 170 of the Code.

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Announcements of Disbarments and Suspensions begin on page 296.
Finding Lists begin on page ii.



Name	Address	Designation	Date of Suspension
Schnieders, Joseph A.	St. Louis, MO	Enrolled Agent	Indefinite from June 1, 2004
Rahn, Miriam C.	Hutchinson, MN	Enrolled Agent	Indefinite from June 8, 2004
Tarantur, Dale B.	Glenview, IL	CPA	Indefinite from June 15, 2004
Derby, Mark	West Newton, MA	CPA	Indefinite from June 15, 2004
Miller, Winfred J.	Harrisonburg, VA	CPA	Indefinite from June 30, 2004
Croom, John A.	Austin, TX	CPA	Indefinite from July 1, 2004
Dion, Paul	Middletown, RI	CPA	Indefinite from July 8, 2004
Todd, Debra R.	Leander, TX	Enrolled Agent	Indefinite from August 30, 2004

Expedited Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, the Director, Office of Professional Responsibility, is authorized to immediately suspend from practice before the Internal Revenue Service any practitioner who, within five years from the date

the expedited proceeding is instituted (1) has had a license to practice as an attorney, certified public accountant, or actuary suspended or revoked for cause or (2) has been convicted of certain crimes.

The following individuals have been placed under suspension from practice before the Internal Revenue Service by virtue of the expedited proceeding provisions:

Name	Address	Designation	Date of Suspension
Somerville, Sally L.	Havre de Grace, MD	Attorney	Indefinite from May 3, 2004
Simon, Laurence M.	Englishtown, NJ	CPA	Indefinite from May 10, 2004
Taylor, Joelle T.	Carolina Beach, NC	CPA	Indefinite from May 10, 2004

Name	Address	Designation	Date of Suspension
Becker, Joseph C.	Austin, TX	CPA	Indefinite from May 10, 2004
Maffongelli Jr., Joseph	Montclair, NJ	Attorney	Indefinite from May 10, 2004
Lence, John A.	Kalispell, MT	CPA	Indefinite from May 21, 2004
McWade, Kenneth W.	Kaliua, HI	Attorney	Indefinite from June 9, 2004
Sims, William A.	Sausalito, CA	Attorney	Indefinite from June 9, 2004
Sommer, Peter J.	Baltimore, MD	Attorney	Indefinite from June 21, 2004
Eisenberg, Alan D.	Whitefish Bay, WI	Attorney	Indefinite from June 21, 2004
Litwin, Martin E.	Highland Park, IL	Attorney	Indefinite from June 21, 2004
Kiernat, Bruce E.	St. Paul, MN	Attorney	Indefinite from July 1, 2004

Resignations of Enrolled Agents

Under Title 31, Code of Federal Regulations, Part 10, an enrolled agent, in order to avoid the institution or conclusion of a proceeding for his or her disbarment or suspension from practice before the In-

ternal Revenue Service, may offer his or her resignation as an enrolled agent. The Director, Office of Professional Responsibility, in his discretion, may accept the offered resignation.

The Director, Office of Professional Responsibility, has accepted offers of resignation as an enrolled agent from the following individuals:

Name	Address	Date of Resignation
Murphy, Claire A.	Viera, FL	May 10, 2004
Murphy, John W.	Viera, FL	May 10, 2004