

**Description of Major Changes for 2008 Form 8883
Asset Allocation Statement Under Section 338**

1. All years have been updated as appropriate.

2. We deleted the question on line 8d relating to section 936 in the definition of a target affiliate (and renumbered the subsequent lines), as the possessions tax credit has expired. The credit originally expired December 31, 2005 (IRC 936(j)(8)), but was replaced by the American Samoa economic development for certain existing credit claimants for tax years beginning after December 31, 2005 and before January 1, 2008. (section 119(d) of PL 109-432).

Note. The American Samoa economic development credit was extended through December 31, 2009 (PL 110-343, Div C, sec.309). However, this will be referenced in the instructions only since only a minimal number of taxpayers are affected.

**Description of Major Changes for 2008 Instructions
for Form 8883, Asset Allocation Statement Under Section 338**

1. All years and dates have been updated as appropriate.
2. We've added a "What's New" section referring taxpayers to final Regulations sections 1.338-1(B)(2)(vii) and 1.388-11. These regulations provide details on the effect of section 338 election on insurance company targets.
3. Under definitions, we added a definition of target affiliate for purposes of the questions for line 8 of Part IV of the form.