

Appendix

Guidance	Date of Publication	Effective Date of Published Guidance	Deadline to Adopt Plan Amendment under Rev. Proc. 2005-66 (or Notice 2005-5)	Deadline to Adopt Plan Amendment under this Notice
Retroactive Annuity Starting Date § 1.417(e)-1	July 17, 2003	Plan years beginning on or after January 1, 2004.	If discretionary — end of the plan year in which plan amendment is put into effect. If required — later of the end of the employer’s tax filing date for the taxable year that contains January 1, 2004 or the last day of the first plan year beginning on or after January 1, 2004.	Later of (1) the deadline under Rev. Proc. 2005-66 or (2) December 31, 2005.
Automatic Rollover § 401(a)(31)(B)	December 28, 2004	Mandatory distributions made on or after March 28, 2005.	Notice 2001-42 and Notice 2005-5 required the amendment to be adopted by the end of the plan year ending on or after March 28, 2005.	Latest of (1) December 31, 2005, (2) the end of the plan year that contains March 28, 2005, or (3) the tax filing deadline for the employer’s tax year containing March 28, 2005.
Final §§ 401(k) and 401(m) Regulations §§ 1.401(k)-1 through -6 and 1.401(m)-1 through -5	December 29, 2004	Generally, plan years beginning on or after January 1, 2006. Plan sponsors are permitted to apply final regulations to any plan year that ends after December 29, 2004.	If discretionary — end of plan year in which plan amendment is put into effect. (Amendment is discretionary if it is adopted prior to the effective date.)	Later of (1) December 31, 2005 or (2) the end of the plan year in which the §§ 401(k) and 401(m) regulations are implemented.

26 CFR 1.1441-5: Withholding on payments to partnerships, trusts and estates.

Rev. Proc. 2005-77

SECTION 1. PURPOSE

This revenue procedure modifies the final withholding foreign partnership (“WP”) and withholding foreign trust (“WT”) agreements, contained in Rev. Proc. 2003-64, 2003-2 C.B. 306, by expanding the availability of certain documentation, reporting, and withholding

procedures. This revenue procedure also makes a conforming change to the portion of the Qualified Intermediary (“QI”) withholding agreement (the “QI agreement”) contained in Rev. Proc. 2003-64.

SECTION 2. BACKGROUND

Rev. Proc. 2003-64 contains the WP and WT agreements described in Treasury Regulation § 1.1441-5(c)(2)(ii) and (e)(5)(v) and sets forth the application procedures for entering into such agreements. Rev. Proc. 2003-64 also amended the QI agreement, contained in Rev. Proc. 2000-12, 2000-1 C.B. 387, to add new

Section 4A. In Rev. Proc. 2004-21, 2004-1 C.B. 702, the Internal Revenue Service (IRS) and the Treasury Department amended Section 10.01 of the WP and WT agreements and new Section 4A.01 of the QI agreement to eliminate a \$200,000 cap that restricted the application of those provisions.

Section 10.02 of the WP and WT agreements and new Section 4A.02 of the QI agreement provide generally that a QI, WP, or WT may apply simplified documentation, reporting, and withholding procedures to a foreign trust or foreign partnership if certain conditions are met (the “Agency Provision”). Currently a QI, WP,

or WT may apply the Agency Provision only if, among other things, the QI (or an affiliate), WP or WT is a general partner of the partnership or a trustee of the trust (the “relatedness requirement”). Upon consideration of comments received, the IRS and the Treasury Department have concluded that the relatedness requirement is unnecessary and that its elimination will facilitate compliance consistent with the objectives of the underlying reporting and withholding regimes.

SECTION 3. EXPANSION OF AGENCY PROVISION

Appendices 1, 2, and 3 of Rev. Proc. 2003-64, containing the WP and WT agreements and new Section 4A of the QI agreement, respectively, are amended as follows. In Appendices 1 and 2, the first paragraph of Section 10.02 of the WP and WT agreements is amended by inserting “and” before “(2)”, by replacing the semicolon before “(3)” with a period, and by deleting “and (3) the [WP/WT] is a general partner of the partnership or a trustee of the trust.” In Appendix 3, the first paragraph of Section 4A.02 of the QI agreement is amended by inserting “and” before “(2)”, by replacing the semicolon before “(3)” with a period, and by deleting “and (3) the QI, or an affiliate of the QI, is a general partner of the partnership or a trustee of the trust.”

SECTION 4. EFFECTIVE DATE

The modifications to Rev. Proc. 2003-64 made by this revenue procedure are effective as of July 10, 2003, the

effective date of Rev. Proc. 2003-64. Pursuant to Section 12.02 of the QI agreement, and Section 11.02 of the WP and WT agreements, these amendments apply to all existing QI, WP, and WT agreements. These amendments will be incorporated into the text of all QI, WP, and WT agreements entered into on or after the date this revenue procedure is released.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2003-64, 2003-2 C.B. 306, is modified.

SECTION 6. CONTACT INFORMATION

For further information regarding this revenue procedure, contact Kathryn T. Holman at (202) 622-3840 (not a toll-free call).

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.

(Also Part I, §§ 62, 162, 170, 213, 217, 274, 1016; 1.62-2, 1.162-17, 1.170A-1, 1.213-1, 1.217-2, 1.274-5, 1.1016-3.)

Rev. Proc. 2005-78

SECTION 1. PURPOSE

This revenue procedure updates Rev. Proc. 2004-64, 2004-2 C.B. 898, as modified by Announcement 2005-71, 2005-41 I.R.B. 714, and provides optional standard mileage rates for employees, self-employed individuals, or other taxpayers

to use in computing the deductible costs of operating an automobile for business, charitable, medical, or moving expense purposes. In addition, this revenue procedure provides optional standard mileage rates for computing the deductible costs of operating an automobile in providing donated services to charity for the provision of relief related to Hurricane Katrina and for determining the amount that may be excluded from income by taxpayers who are reimbursed for such use. This revenue procedure also provides rules under which the amount of ordinary and necessary expenses of local travel or transportation away from home that are paid or incurred by an employee will be deemed substantiated under § 1.274-5 of the Income Tax Regulations if a payor (the employer, its agent, or a third party) provides a mileage allowance under a reimbursement or other expense allowance arrangement to pay for the expenses. Use of a method of substantiation described in this revenue procedure is not mandatory and a taxpayer may use actual allowable expenses if the taxpayer maintains adequate records or other sufficient evidence for proper substantiation. The Internal Revenue Service prospectively adjusts the business, medical, and moving standard mileage rates annually (to the extent warranted).

SECTION 2. SUMMARY OF STANDARD MILEAGE RATES

.01 Standard mileage rates

(1) Business (section 5 below)	44.5 cents per mile
(2) Charitable contribution (section 7 below)	
(a) General	14 cents per mile
(b) Hurricane Katrina deduction	32 cents per mile
(c) Hurricane Katrina reimbursement	44.5 cents per mile
(3) Medical and moving (section 7 below)	18 cents per mile

.02 *Determination of standard mileage rates.* The business, medical, and moving standard mileage rates reflected in this revenue procedure are based on an annual study of the fixed and variable costs of operating an automobile conducted on behalf

of the Service by an independent contractor. The charitable contribution standard mileage rate is provided in § 170(i) of the Internal Revenue Code. The Hurricane Katrina charitable contribution deduction standard mileage rate is established by

§ 303 of the Katrina Emergency Tax Relief Act of 2005, Pub. L. No. 109-73, 119 Stat. 2016 (KETRA). The Hurricane Katrina charitable contribution reimbursement standard mileage rate is established by § 304 of KETRA.