

## **Reportable/Listed Transactions Disclosure**

The American Jobs Creation Act of 2004 contains provisions concerning the reporting and disclosure of certain transactions that the IRS has determined may have a potential for tax avoidance or evasion. Failure to report/disclose a reportable transaction can result in significant penalties.

Reportable Transactions (which should be disclosed on IRS Form 8886) include the following:

- Listed Transactions - Currently the IRS has identified 34 transactions. Please see the list on the back of this page and contact us if you have questions.
- Confidential Transactions - transactions offered under conditions of confidentiality where you paid a minimum fee of \$50,000 directly or indirectly for the advice, analysis and/or strategy.
- Transactions With Contractual Protection where you are entitled to a refund if the intended tax benefits do not materialize.
- Loss Transactions in excess of \$2 million (\$50,000 for foreign currency transactions).
- Transactions of Interest - transactions that the IRS and Treasury Department believe have a potential for tax avoidance or evasion, but for which there is not enough information to determine if they should be identified as tax avoidance transactions.

If you directly or indirectly participated in a reportable transaction, please provide us with the details of the transaction. Please note that you may need to contact the manager of Partnerships, Limited Liability Companies and/or other entities that you have invested in to confirm that the entity did not participate in any reportable transactions or to obtain information about the transaction(s).

## **Index to Listed Transactions as of Last IRS Update, IRB 2009-31, Notice 2009-59**

1. Accelerated Deduction for Deferred Retirement Plan Contributions
2. Multi-Employer Welfare Benefit Funds Exempt under 419
3. Contingent Installment Note Sale Transactions
4. Certain Distributions from Charitable Remainder Trusts (chutzpa trusts)
5. Corporate Distributions of Encumbered Property
6. Financing Arrangements Using Fast-Pay Stock
7. Debt Straddles
8. Artificial Inflation of Partnership Basis
9. Stock Compensation Transactions
10. Guam Trusts
11. Intermediary Transactions
12. Contingent Liabilities
13. 302/308 Basis Shifting
14. Custom Adjustable Rate Debt (CARD)
15. Contingent Swaps
16. Tiered Partnership Straddle / Common Trust Fund Straddle
17. Lease In / Lease Out (LILO)
18. Prohibited Allocation of Employee Owned Securities in S-Corporations (ESOPs)
19. Offshore Deferred Compensation Arrangements
20. Collectively Bargained Welfare Benefit Funds
21. Transfers of Compensatory Stock Options to Related Party
22. Lease Strips / Inflated Basis
23. 461(f) Contested Liability Trusts
24. Offsetting Foreign Currency Option Contracts
25. Abusive Roth IRA Transactions
26. S-Corporations owned by ESOPs
27. Section 412(i) Qualified Plans
28. Foreign Tax Credit Intermediary
29. S-Corporation Tax Shelter
30. Inter-Company Financing Using Guaranteed Payments
31. Sale In, Lease Out (SILO) Transactions
32. Offshore Currency Transactions
33. SEC 419(e) Plans using Cash Value Life Insurance
34. Indifferent Party Transactions

If you have questions regarding reportable transactions, please call us to discuss, and/or refer to the IRS website at: <http://www.irs.gov/instructions/i8886/ch01.html#d0e66> (for general information) or <http://www.irs.gov/Businesses/Corporations/Listed-Transactions---LB&I-Tier-I-Issues> (for information with respect to listed transactions).