

PUBLICATION UPDATE

Route to:

Collier on Bankruptcy Taxation

Publication 861 Release 18

December 2010

HIGHLIGHTS

Temporary Treasury Regulation § 1.108(i)-2T(d)(2) Relating to Partnership Taxpayer Elections to Defer Recognition of Cancellation of Debt (COD) Income, Effective August 11, 2010.

- Chapter TX13 (Financially Troubled Partnerships) has been updated with coverage of the new August 11, 2010 Temp. Treas. Reg. § 1.108(i)-2T(d)(2) with respect to the application of I.R.C. Section 108(i) to partnerships which provide rules governing the deferral of discharge of indebtedness income and original issue discount deductions by a partnership relating to reacquisitions of “applicable debt instruments.”

IRS Position on Liquidating Trusts Established for Creditors.

- Chapter TX14 has been updated with new section ¶ TX14.05[3], “The IRS’s Position on Liquidating Trusts Established for Creditors,” covering Revenue Procedure 94-45, 1994-2 C.B. 684 on the taxation of a liquidating trust established for creditors pursuant to a plan confirmed under chapter 11.

New FATCA Withholding Requirements for Bankruptcy Estates Making Payments to Foreign Financial Institutions.

- Chapter TX3 (Tax Reporting Requirements) has been updated with a new discussion section ¶ TX3.09 on the new Foreign Account Tax Compliance Act withholding requirements for bankruptcy estates making payments to foreign financial institutions.

Federal Taxation of the Non-Corporate Bankruptcy Estate. This chapter has been updated with the latest caselaw, including discussion of the 9th Circuit decision in *U.S. v. Hall* concluding that the chapter 12 estate is a non-table entity ineligible for the benefit of section 1222(a)(2)(A). (Chapter TX2)

Tax Reporting Requirements. This chapter includes updated discussion and features a new section ¶ TX3.09, “New FATCA Withholding Requirements for Bankruptcy Estates Making Payments to Foreign Financial Institutions.” (Chapter TX3)

Priority and Dischargeability of Tax Claims. This chapter has been updated

with the latest caselaw. (Chapter TX4)

Discharge of Indebtedness and the I.R.C. Section 108 Relief. This chapter features completely revised IRC § 108 exclusion coverage of the ¶ 6.03[3][v], “Special Rule for Discharge of an Applicable Debt Instrument Before 2011” topic. (Chapter TX6)

Debt for Debt Exchanges. This chapter includes the latest developments, including updated discussion on consequences of restructured debt to foreign lenders. (Chapter TX9)

Tax-Free Reorganization of Debtor Corporations. This chapter has been updated with the latest Private Letter Rulings. (Chapter TX10)

Preservation and Use of Net Operating Losses and Other Corporate Tax Attributes. This chapter has been updated with the latest Private Letter Rulings. (Chapter TX11)

Financially Troubled Partnerships. This chapter features detailed coverage of the new August 11, 2010 Temporary Regulation § 1.108(i)-2T(d)(2) with respect to the application of I.R.C. Section 108(i) to partnerships which provide rules governing the deferral of discharge of indebtedness income and original issue discount deductions by a partnership relating to reacquisitions of “applicable debt instruments.” In addition, the chapter includes revised and new expanded coverage of ¶ 13.03[5][c], “The Partnership Election Under IRC Section 108(i),” and a new section ¶ TX13.03[5][d], “Effect of IRC Section 108(i) Election on IRC Section 465(e) Recapture.” (Chapter TX13)

Tax Consequences of Disputed Claims Reserves and Creditors’ Trusts. This chapter includes updated discussion of the *Holywell Corp. v. Smith* case and the addi-

tion of a new subsection ¶ TX14.05[3], “The IRS’s Position on Liquidating Trusts Established for Creditors” covering the the IRS position on the taxation of a liquidating trust established for creditors pursuant to a plan confirmed under chapter 11. (Chapter TX14)

LexisNexis Bankruptcy Law Community. Share your expertise and collaborate within the bankruptcy community at <http://www.lexisnexis.com/community/bankruptcylaw>. Explore the latest news, trends and issues affecting bankruptcy law and practice. Access free downloads from authoritative *Collier* bankruptcy treatises, listen to podcast interviews and take advantage of periodic discounts on Lexis bankruptcy products. The center offers you the ability to comment, share and participate in blogs and to access a host of free tools, such as powerful search-engine capabilities, e-mail updates and RSS feeds.

Martindale-Hubbell Connected®. Martindale-Hubbell Connected® is an online, global network—designed exclusively for legal professionals—leveraging the unsurpassed reach of the Martindale-Hubbell database of more than one million lawyers and law firms. Expand your professional network and share your knowledge with a global audience and benefit from the expertise of the community. Simply connect with the people you know and the people who your connections know to build your network quickly and easily.

From legal and risk management to IP, restructuring and employment law, you can tackle today’s emerging issues, collaborate globally through online groups, blogs and forums:

Groups: Join or start groups with co-workers or legal professionals who share your interests or current practice area.

Blogs: Hear what thought leaders are

saying and voice your opinion—even write your own blog!

Forums: Keep up on legal issues when you want, where you want with those who share your interests and practice area. Get **Connected** today—it takes just a few minutes to get started! Go to www.martindale.com/connected.

Matthew Bender provides continuing customer support for all its products:

- Editorial assistance—please consult the “Questions About This Publication” directory printed on the copyright page;
- Customer Service—missing pages, shipments, billing or other customer service matters (1-800-833-9844);
- Outside the United States and Canada, (518) 487-3000, or fax (518) 487-3584;
- Toll-free ordering (1-800-223-1940).



www.lexis.com

Copyright © 2010 Matthew Bender & Company, Inc., a member of the LexisNexis Group.
Publication 861, Release 18, December 2010

LexisNexis, the knowledge burst logo, and Michie are trademarks of Reed Elsevier Properties Inc., used under license. Matthew Bender is a registered trademark of Matthew Bender Properties Inc.

FILING INSTRUCTIONS

Collier on Bankruptcy Taxation

Publication 861 Release 18

December 2010

**Check
As
Done**

- 1. Check the Title page in the front of your present Volume 1. It should indicate that your set is filed through Release Number 17. If the set is current, proceed with the filing of this release. If your set is not filed through Release Number 17, DO NOT file this release. Please call Customer Services at 1-800-833-9844 for assistance in bringing your set up to date.
- 2. This Release Number 18 contains only White Revision pages.
- 3. Circulate the "Publication Update" among those individuals interested in the contents of this release.

**Check
As
Done**

Remove Old
Pages Numbered

Insert New
Pages Numbered

For faster and easier filing, all references are to right-hand pages only.

VOLUME 1

Revision

<input type="checkbox"/>	Title page thru xxxvii	Title page thru xxxv
<input type="checkbox"/>	TX1-27	TX1-27
<input type="checkbox"/>	TX1-53.	TX1-53
<input type="checkbox"/>	TX1-61 thru TX1-71	TX1-61 thru TX1-71
<input type="checkbox"/>	TX2-3 thru TX2-21	TX2-3 thru TX2-21
<input type="checkbox"/>	TX2-31 thru TX2-47	TX2-31 thru TX2-45
<input type="checkbox"/>	TX2-57 thru TX4-51	TX2-57 thru TX4-53
<input type="checkbox"/>	TX5-8.1 thru TX5-23	TX5-9 thru TX5-23
<input type="checkbox"/>	TX5-35 thru TX5-45	TX5-35 thru TX5-45
<input type="checkbox"/>	TX5-54.6(1) thru TX5-54.9	TX5-54.7 thru TX5-54.9
<input type="checkbox"/>	TX5-65 thru TX5-70.1.	TX5-65 thru TX5-69
<input type="checkbox"/>	TX5-81 thru TX5-85	TX5-81 thru TX5-85
<input type="checkbox"/>	TX5-99 thru TX5-109	TX5-99 thru TX5-109
<input type="checkbox"/>	TX5-118.1 thru TX5-125	TX5-119 thru TX5-126.1
<input type="checkbox"/>	TX5-135	TX5-135
<input type="checkbox"/>	TX6-1 thru TX6-25	TX6-1 thru TX6-23
<input type="checkbox"/>	TX6-49 thru TX6-83	TX6-49 thru TX6-79
<input type="checkbox"/>	TX6-90.1 thru TX6-103	TX6-91 thru TX6-104.1
<input type="checkbox"/>	TX6-113 thru TX6-129	TX6-113 thru TX6-130.1
<input type="checkbox"/>	TX6-141 thru TX6-145	TX6-141 thru TX6-145
<input type="checkbox"/>	TX7-9 thru TX7-12.1	TX7-9 thru TX7-12.1
<input type="checkbox"/>	TX9-5 thru TX9-27	TX9-5 thru TX9-28.1
<input type="checkbox"/>	TX9-37 thru TX9-39	TX9-37 thru TX9-40.1
<input type="checkbox"/>	TX9-57 thru TX11-20.1	TX9-57 thru TX11-20.3
<input type="checkbox"/>	TX11-33 thru TX11-34.1	TX11-33 thru TX11-34.1
<input type="checkbox"/>	TX11-45 thru TX11-65	TX11-45 thru TX11-66.13
<input type="checkbox"/>	TX13-3 thru TX13-4.1.	TX13-3 thru TX13-4.1
<input type="checkbox"/>	TX13-116.7 thru TX13-116.13	TX13-116.7 thru TX13-116.19
<input type="checkbox"/>	TX14-1 thru TX14-14.1	TX14-1 thru TX14-13
<input type="checkbox"/>	TX14-31 thru TX15-24.1	TX14-31 thru TX15-23
<input type="checkbox"/>	TX16-7 thru TX16-11	TX16-7 thru TX16-12.1
<input type="checkbox"/>	TX17-1 thru TX17-7	TX17-1 thru TX17-7
<input type="checkbox"/>	I-1 thru I-49	I-1 thru I-51

FILE IN THE FRONT OF THE FIRST VOLUME
OF YOUR SET

To order missing pages log on to our self service center, www.lexisnexis.com/printcdsc or call Customer Services at 1 (800) 833-9844 and have the following information ready:

- (1) the publication title;
- (2) specific volume, chapter and page numbers; and
- (3) your name, phone number, and Matthew Bender account number.

Please recycle removed pages.

MISSING FILING INSTRUCTIONS?
FIND THEM AT www.lexisnexis.com/printcdsc

Use the search tool provided to find and download missing filing instructions,
or sign on to the Print & CD Service Center to order missing pages or
replacement materials. Visit us soon to see what else
the Print & CD Service Center can do for you!



www.lexis.com

Copyright © 2010 Matthew Bender & Company, Inc., a member of the LexisNexis Group.
Publication 861, Release 18, December 2010

LexisNexis, the knowledge burst logo, and Michie are trademarks of Reed Elsevier Properties Inc., used under license. Matthew Bender is a registered trademark of Matthew Bender Properties Inc.

