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## FROM THE EDITOR GUIDANCE MATTERS

By Christian DesRochers

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The *TAXING TIMES* editorial staff never seems to lack for ideas for article topics. One of the sources that we use to plan the content of upcoming issues is the Treasury's *Priority Guidance Plan*. On Dec. 7, 2010, the Department of the Treasury published its 2010-2011 *Guidance Plan* that will be used to set priorities for allocating resources during the 12-month period from July 2010 to June 2011. The *Guidance Plan* includes nine projects directed at insurance companies and insurance projects, including two where guidance has already been published.

The two topics for which guidance has already been provided include:

- The treatment of post-age 100 maturity under §7702 based on comments to Notice 2009-47 (published 08/23/10 in IRB 2010-34 as Revenue Procedure 2010-28).
- Guidance under §833 as modified by the *Patient Protection and Affordable Care Act* (published Dec. 6, 2010 in IRB 2010-49 as Notice 2010-79 — released Nov. 22, 2010). Section 833 provides special rules for certain Blue Cross and Blue Shield organizations.

The *Guidance Plan* for 2010-2011, carries over a number of projects from the 2009-2010 *Guidance Plan*, including:

- Final regulations under §72 on the exchange of property for an annuity contract (proposed regulations were published on Oct. 18, 2006).
- Guidance on annuity contracts with a long-term care insurance feature under §§72 and 7702B.
- Guidance on the tax-free exchange of life insurance contracts subject to §264(f).
- Guidance clarifying whether deficiency reserves should be taken into account in computing the amount of statutory reserves under §807(d)(6).
- Guidance on the determination of the company's share and policyholders' share of the net investment income of a life insurance company under §812.
- Guidance under §1035 on the tax treatment of a partial exchange of an annuity contract.
- One new item added to the *Guidance Plan* for 2010 and 2011 includes guidance under §7702 defining cash surrender value.

Most of these issues have already been the topic of articles in *TAXING TIMES*. In fact, Revenue Procedure 2010-28 cites a *TAXING TIMES* article documenting the work of the Taxation Section 2001 CSO Maturity Age Task Force. (See "2001 CSO Implementation Under IRC Sections 7702 and 7702A," 2 *TAXING TIMES* 23 (May 2006)).

As guidance is published, we will continue to produce articles on the topics of interest to our readers. In the meantime, please enjoy this issue which features articles on the emerging international accounting rules, variable annuity living benefit reserves, and discussions of recent guidance on both company and policyholder issues. Thanks to all of our authors, commentators, editorial board and editors who make *TAXING TIMES* the valuable publication it is. ◀

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