

# Part III. Administrative, Procedural, and Miscellaneous

## Additional Disaster Relief for Taxpayers Affected by the September 11, 2001, Terrorist Attack – Mid-Quarter Convention Relief

### Notice 2001-70

This notice announces that the Treasury Department and the Internal Revenue Service intend to issue regulations permitting taxpayers to elect not to apply the mid-quarter convention rules contained in § 168(d)(3) of the Internal Revenue Code to certain property placed in service in the taxable year that includes September 11, 2001. This notice also provides taxpayers a mechanism for making the election before regulations are issued.

Section 168(d)(3) generally provides that, except as provided in regulations, if the aggregate basis of property placed in service during the last three months of the taxable year exceeds 40 percent of the aggregate basis of property (other than property described in § 168(d)(3)(B)) placed in service during

the taxable year, the applicable depreciation convention for all property (other than property described in § 168(d)(2)) to which § 168 applies placed in service during the taxable year is the mid-quarter convention.

Many taxpayers time the acquisition and placing in service of property within a taxable year to avoid application of the mid-quarter convention. Treasury and the Service have been made aware that, as a result of events related to the September 11, 2001, terrorist attacks, many taxpayers have encountered difficulty completing the acquisition and placing in service of property in accordance with plans developed earlier in the year, and certain taxpayers would choose to delay acquisition and placing of property in service during the last quarter of their taxable year if failing to delay would result in application of the mid-quarter convention.

Accordingly, if the third quarter of the taxpayer's 2001 taxable year includes September 11, 2001, then the taxpayer may elect to apply the half-year convention to all property (other than property

described in § 168(d)(2)) placed in service during the taxpayer's 2001 taxable year for purposes of § 168(d).

To make the election under this notice, a taxpayer must write "Election Pursuant to Notice 2001-70" across the top of its Form 4562, *Depreciation and Amortization*, for the taxpayer's taxable year that includes September 11, 2001.

Treasury and the Service intend to amend the regulations under § 168 to incorporate the guidance set forth in this notice. Until the regulations are amended, taxpayers may rely on the guidance set forth in this notice.

The principal author of this notice is Bernard P. Harvey of the Office of Associate Chief Counsel, Passthroughs and Special Industries. For further information regarding this notice contact Mr. Harvey at (202) 622-3110 (not a toll-free call).

26 CFR 601.602: *Forms and instructions. (Also Part I, Sections 220, 408, 408A, 529, 530(h), 1441, 6041, 6041A, 6042, 6043, 6044, 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, 6050P, 6050Q, 6050R, 6050S, 1.408-5, 1.408-7, 1.408A-7, 1.1441-1 through 1.1441-5, 1.6041-1, 7.6041-1, 1.6042-2, 1.6042-4, 1.6044-2, 1.6044-5, 1.6045-1, 5f.6045-1, 1.6045-2, 1.6045-4, 1.6047-1, 1.6049-4, 1.6049-6, 1.6049-7, 1.6050A-1, 1.6050B-1, 1.6050D-1, 1.6050E-1, 1.6050H-1, 1.6050H-2, 1.6050J-1T, 1.6050N-1, 1.6050P-1).*

**NOTE: This revenue procedure will be reprinted as the next revision of IRS Publication 1179, *Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 5498, W-2G (and 1042-S)*.**

### Rev. Proc. 2001-50

#### TABLE OF CONTENTS

##### PART 1 - GENERAL INFORMATION

|   |     |
|---|-----|
| Section 1.1 - Overview of Revenue Procedure 2001-50 . . . . .   | 438 |
| Section 1.2 - General Requirements for Acceptable Substitute Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S . . . . . | 440 |
| Section 1.3 - Definitions . . . . .   | 441 |

##### PART 2 - SPECIFICATIONS FOR SUBSTITUTE FORMS 1096 AND COPIES A OF FORMS 1098, 1099, AND 5498 (ALL FILED WITH THE IRS)

|  |     |
|--|-----|
| Section 2.1 - Specifications . . . . .   | 441 |
| Section 2.2 - Instructions for Preparing Paper Forms That Will Be Filed With the IRS . . . . . | 444 |

##### PART 3 - SPECIFICATIONS FOR SUBSTITUTE FORM W-2G (FILED WITH THE IRS)

|  |     |
|--|-----|
| Section 3.1 - General . . . . .                                | 445 |
| Section 3.2 - Specifications for Copy A of Form W-2G . . . . . | 445 |