

**APPENDIX A**

**SCHEDULE OF USER FEES**

NOTE: Checks or money orders must be in U.S. dollars.

(A) *FEE SCHEDULE*

<i>CATEGORY</i>	<i>USER FEE</i>
<b>(1) User fee for a request for a determination letter from a Director.</b> The user fee for each determination letter request governed by Rev. Proc. 2007-1, this revenue procedure.	\$275
<b>(2) User fee for a request for an advance pricing agreement or a renewal of an advance pricing agreement.</b>	<i>See</i> section 4.12 of Rev. Proc. 2006-9, 2006-2 I.R.B. 278
<b>(3) User fee for a request for a letter ruling or closing agreement.</b> Except for the user fees for advance pricing agreements and renewals, the reduced fees provided in paragraph (A)(4) of this appendix, the user fees provided in paragraph (A)(5) of this appendix, and the exemptions provided in section 15.04 of Rev. Proc. 2007-1, this revenue procedure, the user fee for each request for a letter ruling or closing agreement under the jurisdiction of the Associate Chief Counsel (Corporate), the Associate Chief Counsel (Financial Institutions and Products), the Associate Chief Counsel (Income Tax and Accounting), the Associate Chief Counsel (International), the Associate Chief Counsel (Passthroughs and Special Industries), the Associate Chief Counsel (Procedure and Administration), or the Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities) is as follows:	
(a) Accounting periods	
(i) Form 1128 (except as provided in paragraph (A)(4)(a) or (b) of this appendix)	\$1,500
(ii) Requests made on Part II of Form 2553 to use a fiscal year based on a business purpose (except as provided in paragraph (A)(4)(a) or (b) of this appendix)	\$1,500
(iii) Letter ruling requests for extensions of time to file Form 1128, Form 8716, or Part II of Form 2553 under § 301.9100-3 (except as provided in paragraph (A)(4)(a) or (b) of this appendix)	\$1,500
(b) Changes in Accounting Methods	
(i) Form 3115 (except as provided in paragraph (A)(4)(a) or (b), or (5)(b) of this appendix)	\$2,500
(ii) Letter ruling requests for extensions of time to file Form 3115 under § 301.9100-3 (except as provided in paragraph (A)(4)(a) or (b), or (5)(c) of this appendix)	\$2,500
NOTE: No user fee is required if the change in accounting period or accounting method is permitted to be made pursuant to a published automatic change request procedure. <i>See</i> section 9.22 and Appendix E of Rev. Proc. 2007-1, this revenue procedure, for the list of automatic change request procedures published and/or in effect as of December 31, 2006.	
(c) All other letter ruling requests (which includes accounting period and accounting method requests other than those properly submitted on Form 1128, Part II of Form 2553, or Form 3115) (except as provided in paragraph (A)(4)(a) or (b), or (5)(a) of this appendix)	\$10,000

*CATEGORY*

*USER FEE*

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| <p>(d) Requests for closing agreements on a proposed transaction or on a completed transaction before a return for the transaction has been filed in which a letter ruling on that transaction is not requested or issued (except as provided in paragraph (A)(4)(a) or (b) of this appendix)</p> | \$10,000 |
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NOTE: A taxpayer that receives relief under § 301.9100-3 (for example, an extension of time to file Form 3115) will be charged a separate user fee for the letter ruling request on the underlying issue (for example, the accounting period or accounting method application).

**(4) Reduced user fee for a request for a letter ruling or closing agreement.** A reduced user fee is provided in the following situations if the person provides the certification described in paragraph (B)(1) of this appendix:

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| <p>(a) Request involves a personal or business tax issue from a person with gross income (as determined under paragraphs (B)(2) and (4) of this appendix) of less than \$250,000</p>  | \$625   |
| <p>(b) Request involves a personal or business-related tax issue (for example, including home-office expenses, residential rental property issues) from a person with gross income (as determined under paragraphs (B)(3) and (4) of this appendix) of less than \$1 million and more than \$250,000.</p> | \$2,500 |

**(5) User fee for substantially identical letter ruling requests, identical accounting method changes, or plans from issuing authorities under section 25(c)(2)(B).** If the requirements of section 15.07 of Rev. Proc. 2007-1, this revenue procedure, are satisfied, the user fee for the following situations is as follows:

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| <p>(a) Substantially identical letter rulings requested</p> <p>Situations in which a taxpayer requests substantially identical letter rulings for multiple entities with a common member or sponsor, or for multiple members of a common entity, or for two or more identical trusts or for multiple beneficiaries of a trust or a trust divided into identical subtrusts or for husband and wife making split gifts, for each additional letter ruling request after the \$7,000 fee or reduced fee, as applicable, has been paid for the first letter ruling request</p> | \$700 |
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NOTE: Each entity or member that is entitled to the user fee under paragraph (A)(5)(a) of this appendix, that receives relief under § 301.9100-3 (for example, an extension of time to file an election) will be charged a separate user fee for the letter ruling request on the underlying issue.

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| <p>(b) Identical accounting method change requested on a single Form 3115</p> <p>Situations in which a common parent requests the identical accounting method change on a single Form 3115 on behalf of two or more members of a consolidated group or two or more eligible CFCs (see section 15.07(4)), or in which a taxpayer requests the identical accounting method change on a single Form 3115 for two or more eligible CFCs (see section 15.07(4)) or two or more separate and distinct trades or businesses, including qualified subchapter S subsidiaries (QSUBs) and single-member limited liability companies (single-member LLCs) (see § 1.446-1(d) for what constitutes a separate and distinct trade or business), for each additional member of the group, eligible CFC, or separate and distinct trade or business of the taxpayer seeking the identical accounting method change on the same Form 3115 after the \$1,500 fee or \$625 reduced fee, as applicable, has been paid for the first member of the group, eligible CFC, or separate and distinct trade or business.</p> | \$150 |
| <p>(c) Substantially identical plans under section 25(c)(2)(B)</p>   | \$700 |

CATEGORY

USER FEE

Situations where an issuing authority under section 25 submits substantially identical plans for administering the 95-percent requirement of section 143(d)(1) following the submission of an initial plan that was approved.

- (d) Extension of time requested to file Form 3115 for an identical accounting method change

Situations in which a common parent requests an extension of time under § 301.9100–3 to file a single Form 3115 for the identical accounting method change on behalf of two or more members of a consolidated group or two or more eligible CFCs (see section 15.07(4)), or in which a taxpayer requests an extension of time under § 301.9100–3 to file a single Form 3115 for the identical accounting method change for two or more eligible CFCs (see section 15.07(4)) or two or more separate and distinct trades or businesses, including QSUBs and single-member LLCs (see § 1.446–1(d) for what constitutes a separate and distinct trade or business), for each additional member of the group, eligible CFC or separate and distinct trade or business of the taxpayer seeking the identical accounting method change on the same Form 3115 after the \$1,500 fee or \$625 reduced fee as applicable, has been paid for the first member of the group, eligible CFC, or separate and distinct trade or business.

\$75

NOTE: When an extension of time to file Form 3115 is granted under § 301.9100–3 for multiple members of a consolidated group, eligible CFCs, or separate and distinct trades or businesses of a taxpayer, including QSUBs and single-member LLCs, a separate user fee will be charged for the accounting method change application, Form 3115.

- (6) User fee for information letter requests. \$2,000
- (7) User fee for pre-filing agreements \$50,000

(B) PROCEDURAL MATTERS

**(1) Required certification.** A person seeking a reduced user fee under paragraph (A)(4) of this appendix must provide the following certification in order to obtain the reduced user fee:

(a) If a person is seeking a reduced user fee under paragraph (A)(4)(a) of this appendix, the person must certify in the request that his, her, or its gross income, as defined under paragraphs (B)(2) and (4) of this appendix, is less than \$250,000 for the last full (12 months) taxable year ending before the date the request is filed.

(b) If a person is seeking a reduced user fee under paragraph (A)(4)(b) of this appendix, the person must certify in the request that his, her, or its gross income, as defined under paragraphs (B)(3) and (4) of this appendix, is less than \$1 million and more than \$250,000 for the last full (12 months) taxable year ending before the date the request is filed.

The certification must be attached as part of the ruling request.

**(2) Gross income for a request involving a personal tax issue.** For purposes of the reduced user fees provided in paragraphs (A)(4)(a) and (b) of this appendix of—

(a) **U.S. citizens and resident alien individuals, domestic trusts, and domestic estates,** “gross income” is equal to “total income” as reported on their last federal income tax return (as amended) filed for a full (12 months) taxable year ending before the date the request is filed, plus any interest income not subject to tax under § 103 (interest on state and local bonds) for that period. “Total income” is a line item on federal tax returns. For example, if the 2004 Form 1040, *U.S. Individual Income Tax Return*, is the most recent 12-month taxable year return filed by a U.S. citizen, “total income” on the Form 1040 is the amount entered on line 22.

In the case of a request for a letter ruling or closing agreement from a domestic estate or trust that, at the time the request is filed, has not filed a federal income tax return for a full taxable year, the reduced user fee in paragraph (A)(4)(a) of this appendix will apply if the decedent's or (in the case of an individual grantor) the grantor's total income as reported on the last federal income tax return filed for a full taxable year ending before the date of death or the date of the transfer, taking into account any additions required to be made to total income described in this paragraph (B)(2)(a), is less than \$250,000. In this case, the executor or administrator of the decedent's estate or the grantor must provide the certification required under paragraph (B)(1) of this appendix.

**(b) Nonresident alien individuals, foreign trusts, and foreign estates** "gross income" is equal to "total effectively connected income" as reported on their last federal income tax return (as amended) filed for a full (12 months) taxable year ending before the date the request is filed, plus any income for the period from United States or foreign sources that is not taxable by the United States, whether by reason of § 103, an income tax treaty, § 871(h) (regarding portfolio interest), or otherwise, plus the total amount of any fixed or determinable annual or periodical income from United States sources, the United States tax liability for which is satisfied by withholding at the source. "Total effectively connected income" is a line item on federal tax returns. For example, if the 2004 Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, is the most recent 12-month taxable year return filed by a nonresident alien individual, "total effectively connected income" on the Form 1040NR is the amount entered on line 23.

In the case of a request for a letter ruling or closing agreement from a foreign estate or trust that, at the time the request is filed, has not filed a federal income tax return for a full taxable year, the reduced user fee in paragraph (A)(4)(a) of this appendix will apply if the decedent's or (in the case of an individual grantor) the grantor's total income or total effectively connected income, as relevant, as reported on the last federal income tax return filed for a full taxable year ending before the date of death or the date of the transfer, taking into account any additions required to be made to total income or total effectively connected income described respectively in paragraph (B)(2)(a) of this appendix or in this paragraph (B)(2)(b), is less than \$250,000. In this case, the executor or administrator of the decedent's estate or the grantor must provide the certification required under paragraph (B)(1) of this appendix.

**(3) Gross income for a request involving a business-related tax issue.** For purposes of the reduced user fees provided in paragraphs (A)(4)(a) and (b) of this appendix of—

**(a) U.S. citizens and resident alien individuals, domestic trusts, and domestic estates**, "gross income" is equal to gross income as defined under paragraph (B)(2)(a) of this appendix, plus "cost of goods sold" as reported on the same federal income tax return.

**(b) Nonresident alien individuals, foreign trusts, and foreign estates**, "gross income" is equal to gross income as defined under paragraph (B)(2)(b) of this appendix, plus "cost of goods sold" as reported on the same federal income tax return.

**(c) Domestic partnerships and corporations**, "gross income" is equal to "total income" as reported on their last federal income tax return (as amended) filed for a full (12 months) taxable year ending before the date the request is filed, plus "cost of goods sold" as reported on the same federal income tax return, plus any interest income not subject to tax under § 103 (interest on state and local bonds) for that period. If a domestic partnership or corporation is not subject to tax, "total income" and "cost of goods sold" are the amounts that the domestic partnership or corporation would have reported on the federal income tax return if the domestic partnership or corporation were subject to tax.

"Cost of goods sold" and "total income" are line items on federal tax returns. For example, if the 2004 Form 1065, *U.S. Return of Partnership Income*, is the most recent 12-month taxable year return filed by a domestic partnership, "cost of goods sold" and "total income" on the Form 1065 are the amounts entered on lines 2 and 8, respectively, and if the 2004 Form 1120, *U.S. Corporation Income Tax Return*, is the most recent 12-month taxable year return filed by a domestic corporation, "cost of goods sold" and "total income" on the Form 1120 are the amounts entered on lines 2 and 11, respectively.

If, at the time the request is filed, a domestic partnership or corporation subject to tax has not filed a federal income tax return for a full taxable year, the reduced user fee in paragraph (A)(4)(b) of this appendix will apply if, in the aggregate, the partners' or the shareholders' gross income (as defined in paragraph (B)(3)(a), (b), (c), or (d) of this appendix, as applicable) is less than \$1 million for the last full (12 months) taxable year ending before the date the request is filed. In this case, the partners or the shareholders must provide the certification required under paragraph (B)(1) of this appendix.

**(d) Organizations exempt from income tax under "Subchapter F-Exempt Organizations" of the Code**, "gross income" is equal to the amount of gross receipts for the last full (12 months) taxable year ending before the date the request for a letter ruling or closing agreement is filed.

**(e) Gross income of state, local, and Indian tribal government entities.** “gross income” is equal to the annual operating revenue of the government requesting the ruling for its last fiscal year ending before the date of the ruling request. The annual operating revenue is to be determined at the government level and not at the level of the government entity or agency making the request.

**(4) Special rules for determining gross income.** For purposes of paragraphs (B)(2) and (3) of this appendix, the following rules apply for determining gross income.

**(a) Gross income of individuals, trusts, and estates.**

(1) In the case of a request from a married individual, the gross incomes (as defined in paragraph (B)(2) or (3) of this appendix, as applicable) of the applicant and the applicant’s spouse must be combined. This rule does not apply to an individual who: (1) is legally separated from his or her spouse and (2) the spouse does not file a joint income tax return with his or her spouse; and

(2) If there are two or more applicants filing the request, the gross incomes (as defined in paragraph (B)(2) or (3) of this appendix, as applicable) of the applicants must be combined.

**(b) Gross income of domestic partnerships and corporations.**

(1) In the case of a request from a domestic corporation, the gross income (as defined in paragraph (B)(3) of this appendix) of (i) all members of the applicant’s controlled group (as defined in § 1563(a)), and (ii) any related taxpayer that is involved in the transaction on which the letter ruling or closing agreement is requested, must be combined; and

(2) In the case of a request from a domestic partnership, the gross income (as defined in paragraph (B)(3) of this appendix) of (i) the partnership, and (ii) any partner who owns, directly or indirectly, 50 percent or more of the capital interest or profits interest in the partnership, must be combined.

**(c) Gross income of exempt organizations.** If there are two or more organizations exempt from income tax under Subchapter F filing the request, the gross receipts (as defined in paragraph (B)(3)(d) of this appendix) of the applicants must be combined.