

The Internal Revenue Service, Office of Chief Counsel, and Treasury Department announced the selection of issues for the Industry Issue Resolution Pilot Program.

The IRS received 24 applications from businesses, tax practitioners and associations suggesting issues that are common to many large business taxpayers. The Industry Issue Resolution process is aimed at establishing a consistent IRS position on industry issues. The anticipated benefits of the program include reducing costs and burden for taxpayers and the IRS and eliminating uncertainty involving tax treatment.

The selected issues are:

- Certain costs of golf course construction,
- Conformity election by banks for bad debts,
- Demonstrator vehicles provided for use by employees,
- Reporting of payments to employees who own heavy equipment used by their employers (2001 Priority Guidance Plan, Appendix A),
- Local impact fees associated with low income housing tax credit property and the treatment with respect to eligible basis,
- Determination of recoverable reserves of oil and gas for cost depletion purposes,
- Treatment of restaurant smallwares packages.

Questions and comments regarding the specific issues may be directed to the IIR Pilot Manager, Richard Druk by phone at 202-283-8387 or e-mail at pftg2@irs.gov.