

Comments on Research Credit Regulations

Notice 2001-19

On January 3, 2001, the Treasury Department published final regulations (T.D. 8930, 2001-5 I.R.B. 433) relating to the computation of the research credit under § 41(c) and the definition of qualified research under § 41(d) in the Federal Register (66 F.R. 280). These regulations reflect changes to § 41 made by the Tax Reform Act of 1986, the Revenue Reconciliation Act of 1989, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Tax and Trade Relief Extension Act of 1998, and the Tax Relief Extension Act of 1999.

The Treasury Department and the Internal Revenue Service will review these final regulations. Comments are requested on all aspects of the final regulations with specific comments requested on whether modifications should be made to the documentation requirement contained in § 1.41-4(d). As part of this review, the Treasury Department and the Service will reconsider all comments previously submitted in connection with the finalization of T.D. 8930. Comments should be submitted by April 2, 2001, and sent to: CC:M&SP:RU (T.D. 8930), room 5226, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Comments may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to CC:M&SP:RU (T.D. 8930), room 5226, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20044. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page or by submitting comments directly to the IRS Internet site at http://www.irs.ustreas.gov/tax_regs/regslst.html. All submissions will be open to public inspection.

Upon the completion of this review, the Treasury Department and the Service will announce changes to the regulations, if any, in the form of proposed regulations. In addition, T.D. 8930 will be revised so that the provisions of the regulations,

including any changes to T.D. 8930, will be effective no earlier than the date when the completion of this review is announced, except that the provisions related to internal-use computer software (including any revisions) generally will be applicable for taxable years beginning after December 31, 1985.

Taxpayers may continue to rely on T.D. 8930 during the pendency of this review.

For further information regarding this notice, contact Lisa Shuman of the Office of the Associate Chief Counsel (Passthroughs and Special Industries) at (202) 622-3120 (not a toll-free call).
