



# BANKING ISSUANCE

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Comptroller of the Currency  
Administrator of National Banks

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Type: Banking Bulletin

Subject: IRS Express Determination Letters

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To: The Chief Executive Officers of All National Banks

The Internal Revenue Service (IRS) has published revisions to its regulation section 1.166-2(d)(3) and Revenue Procedure 92-18 effective October 1, 1992. These regulations address financial institutions' election to deduct charge-offs for income tax purposes in the same year the charge-offs are recorded for regulatory purposes. To be eligible for this election, the institution must obtain an "express determination" letter from its primary regulator.

The revised rules require that a bank making this election obtain the "express determination" letter in conjunction with examinations involving the loan review process that are conducted after October 1, 1992.

Examining Circular 216 Supplement 1 addressing the procedures for issuing an "express determination" letter is currently being distributed to all examiners. A copy of the Examining Circular is attached.

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## Related Link

- [EC 216 Supplement 1](#)