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§ 403.57 Conditions of sale.

(a) *No recourse*. All personal property to be sold shall be offered for sale ''as is'' and without recourse against the United States.

(b) *No guarantee*. No guarantee or warranty, expressed or implied, shall be given or understood in respect of any forfeited property offered for sale.

(c) *No sale*. (1) The United States reserves the right to reject any bids.

(2) In a case in which all bids are rejected the Commissioner or his delegate shall re-advertise the property for sale in the manner prescribed in § 403.55.

(d) *One bid*. When only one bid is received for a single unit of property such bid shall be the highest bid received for such property.

(Sec. 7325, 68A Stat. 870, as amended (26 U.S.C. 7325 (1), (4)); sec. 7326, 72 Stat. 1429, as amended (26 U.S.C. 7326(a)))

[T.D. 7433, 41 FR 39312, Sept. 15, 1976, as amended by T.D. 7525, 42 FR 64344, Dec. 23, 1977]

§ 403.58 Acceptable forms of payment.

The only acceptable forms of payment shall be cash, cashier's check, certified check, or postal money order, in the amount of the accepted bid.

§ 403.59 [Reserved]

§ 403.60 Purchaser entitled to bill of sale.

Each purchaser of administratively forfeited property is entitled to receive a suitable bill of sale.

§ 403.61 Sale on open, competitive bids.

If forfeited property is to be sold at public auction to the highest bidder on open, competitive bids, the notice of sale shall so specify, and state the date, hour, and place of such sale.

§ 403.62 Sale on sealed, competitive bids.

If the property is to be sold to the highest bidder on sealed, competitive bids, the notice of sale shall so specify, and shall state the date, hour, and place of sale, and the date, hour, and place prior to the sale when and where prospective bidders may view the property and obtain necessary information. All sealed bids must be filed with the district director of the internal revenue district in which the property was seized before the sale. No bids will be accepted after the sale starts. At the appointed date, hour, and place of sale, all sealed bids timely filed shall be open in the presence of all bidders attending the sale, who shall have the privilege of inspecting the bids if they so desire.

Subpart G—Disposal of Forfeited Coin-Operated Gaming Devices

§ 403.65 Authority for destruction.

The Commissioner or his delegate is authorized to order the destruction of any coin-operated gaming device as defined in I.R.C. section 4462 upon which a tax is imposed by I.R.C. section 4461, after the expiration of three months from the date of consummation of administrative forfeiture under any provision of I.R.C.

(Sec. 7326, 72 Stat. 1429, as amended (26 U.S.C. 7326))

PART 404—TEMPORARY REGULATIONS ON PROCEDURE AND ADMINISTRATION UNDER THE TAX REFORM ACT OF 1976

Sec.

404.6048–1 Annual returns for foreign trusts with a United States beneficiary.
404.6334(d)–1 Minimum exemption from levy for wages, salary, or other income.

AUTHORITY: Sec. 7805, Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

§ 404.6048–1 Annual returns for foreign trusts with a United States beneficiary.

(a) *Return required*—(1) *In general*. Each taxpayer subject to tax under section 679 with respect to a foreign trust having one or more United States beneficiaries must file Form 3520–A, Annual Return of Foreign Trust with U.S. Beneficiaries, together with any additional schedules or other information required by the form or the instructions to the form. Form 3520–A must be filed even if the taxpayer is treated as the owner of a foreign trust under both section 679 and some other provision of subpart E of part I of subchapter J.

(2) *Joint returns.* If the taxpayer's spouse is also subject to tax under section 679 with respect to the same foreign trust for the same taxable year, and if both taxpayer and spouse file a joint return of income tax for that year, a single Form 3520–A may be filed jointly with respect to such trust for the year.

(b) *Period covered by return.* The period covered by the return required by this section is the taxable year of the taxpayer required to file the return, regardless of the period used by the trust for accounting or any other purpose.

(c) *Time for filing*—(1) *In general.* The return required by this section must be filed no later than the 15th day of the fourth month following the end of the taxable period covered by the return.

(2) *Transitional rule.* In the case of a return required by this section for a taxable period ending on or before June 30, 1977, the return must be filed no later than—

(i) October 15, 1977, in the case of a taxpayer treated as an owner with respect to the trust under both section 679 and a provision of sections 672 through 678, or

(ii) December 31, 1977, in all other cases.

(3) *Extensions of time for filing.* For rules relating to extensions of time for filing, see section 6081 and the regulations thereunder.

(d) *Place for filing.* The return required by this section must be filed with the Director, Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, PA 19155.

(e) *Effective date.* This section is effective for taxable periods ending on or after December 31, 1976.

(Sec. 6048(c), Internal Revenue Code of 1954, 90 Stat. 1616 (26 U.S.C. 6048(c)))

[T.D. 7502, 42 FR 41856, Aug. 19, 1977]

§ 404.6334(d)–1 Minimum exemption from levy for wages, salary, or other income.

(a) *In general.* Under section 6331(a), if an individual liable for any tax neglects or refuses to pay such tax within 10 days after notice and demand, the tax may be collected by levy upon property or rights to property belonging to such individual, including amounts payable to or received by him as wages, salary, or other income. Under section 6331(d)(3), a levy upon wages or salary is continuous from the date the levy is first made until the liability giving rise to the levy is satisfied or becomes unforceable by reason of lapse of time. Under section 6334(a)(9), however, certain amounts payable to or received by an individual as wages or salary for personal services, or as income from other sources, are exempt from levy. Under section 6334(d), amounts so exempt are determined by taking into account (1) the individual's payroll period, i.e., the basis (whether weekly, biweekly, semimonthly, monthly or otherwise) on which the individual is paid or receives wages, salary, or other income, and (2) the number of certain other persons dependent upon the individual for their support during each such payroll period. Paragraph (b) of this section prescribes rules for determining an individual's payroll period. Paragraph (c) of this section contains rules relating to the minimum amount of wages, salary, or other income which is exempt from levy for each such payroll period, and the additional amount which is exempt for each person who is claimed as a dependent of the individual pursuant to paragraph (d) of this section.

(b) *Determination of payroll period.* For purposes of determining the amount of wages, salary, or other income exempt from levy pursuant to section 6334(a)(9) and this section—

(1) *Regularly used calendar periods.* In the case of a levy on wages, etc. paid on the basis of an established calendar period regularly used by the employer for payroll purposes (e.g., weekly, biweekly, semimonthly, or monthly), that period shall be used as the individual's payroll period.

(2) *Remuneration paid on an irregular basis.* In the case of a levy on wages, etc. not paid on the basis of an established calendar period regularly used by an employer for payroll purposes, the first day of the individual's payroll period shall be that day following the day upon which the wages, salary, or other income become payable to or are received by the individual, and the last day of the payroll period shall be that day upon which such wages, salary, or

other income next become payable to or are received by him.

(c) *Determination of exempt amount.* For each payroll period determined pursuant to paragraph (b) of this section, amounts exempt from levy pursuant to section 6334(a)(9) and this section are as follows:

(1) If such payroll period is weekly: $50, plus $15 for each person who is claimed as a dependent pursuant to paragraph (d) of this section.

(2) If such payroll period is biweekly: $100, plus $30 for each person who is claimed as a dependent pursuant to paragraph (d) of this section.

(3) If such payroll period is semimonthly: $108.33, plus $32.50 for each person who is claimed as a dependent pursuant to paragraph (d) of this section.

(4) If such payroll period is monthly: $216.67, plus $65 for each person who is claimed as a dependent pursuant to paragraph (d) of this section.

(5) If such payroll period is not weekly, biweekly, semimonthly or monthly: a proportionate amount based upon the sum of an annual exemption of $2,600 plus $780 for each person who is claimed as a dependent pursuant to paragraph (d) of this section.

(d) *Dependent exemption*—(1) *Dependent defined.* For purposes of this section, a person is a dependent of an individual for any payroll period of such individual, if—

(i) Over half of such person's support for such payroll period was received from the individual, and

(ii) Such person is the spouse of the individual, or bears a relationship to the individual specified in section 152(a) (1) through (9) (relating to definition of dependent), and

(iii) Such person is not a minor child of the individual with respect to whom amounts are exempt from levy under section 6334(a)(8) (relating to exemption from levy for judgments for support of minor children) at any time during such payroll period.

For purposes of subdivision (ii) of this subparagraph, ''payroll period'' shall be substituted for ''taxable year'' each place it appears in section 152(a)(9).

(2) *Claim for dependent exemption.* No amount prescribed by paragraph (c) of this section as being exempt from levy for each person who is claimed as a dependent pursuant to this paragraph shall be so exempt unless there is delivered to the employer or other person upon whom notice of levy is served a written statement, signed by the individual seeking such exemption and containing a declaration that it is made under the penalties of perjury, which identifies, by name and by relationship to such individual, each person for whom a dependent exemption is claimed.

(e) *Cross references.* (1) For the requirement for notice of intent to levy on salary or wages, see section 6331(d)(1).

(2) For the continuing effect of a levy on salary or wages, see section 6331(d)(3).

(3) For other property exempt from levy, see section 6334 and § 301.6334–1.

(f) *Effective date.* The regulations prescribed by this section shall apply with respect to levies on wages, salary, and other income made after February 28, 1977.

(Sec. 6334(d) (90 Stat. 1709; 68A Stat. 917; 26 U.S.C. 6334))

[T.D. 7468, 42 FR 12042, Mar. 2, 1977]

PARTS 405–419 [RESERVED]

PART 420—TEMPORARY REGULATIONS ON PROCEDURE AND ADMINISTRATION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SOURCE: T.D. 7347, 40 FR 12075, Mar. 17, 1975, unless otherwise noted.

§ 420.0–1 Certain existing plans may elect new provisions.

(a) *In general.* The plan administrator (as defined in section 414(g)) of a plan that was in existence on January 1, 1974, may elect to have the provisions of the Code relating to participation, vesting, funding, and form of benefit (as in effect from time to time) apply to a plan year selected by the plan administrator which begins after September 2, 1974, but before the otherwise applicable effective dates determined under section 1017 (b) or (c), 1021, or