DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1, 31, 35a, 301, 502, 503, 509, 513, 514, 516, 517, 520 and 521

[INTL-062-90; INTL-0032-93; INTL-52-86; INTL-52-94]

RID 1545-A027; 1545-A90; 1545-AL99; 1545-AT00

General Revision of Regulations
Relating to Withholding Tax on Certain U.S. Source Income Paid to Foreign Persons and Related Collection, Refunds, and Credits; Revision of Information Reporting and Backup Withholding Regulations; and Removal of Regulations Under Part 35a and of Certain Regulations Under Income Tax Treaties; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking.

SUMMARY: This document contains corrections to the notice of proposed rulemaking (INTL-062-90; INTL-0032-93; INTL-52-86; INTL-52-94) which was published in the Federal Register for Monday, April 22, 1996 (61 FR 17614). The notice of proposed rulemaking relates to the withholding of income tax under sections 1441 and 1442 on certain U.S. source income paid to foreign persons, the related tax deposit and reporting requirements under section 1461, and the related collection, refunds, and credits of withheld tax under sections 1463 through 6402. In addition, the notice of proposed rulemaking also relates to the statutory exemption under sections 871(h) and 881(c) for portfolio interest. The notice of proposed rulemaking proposes to remove certain temporary employment tax regulations under the Interest and Dividend Compliance Act of 1983 and to amend existing regulations under sections 6041A and 6050N. The notice of proposed rulemaking also proposes changes to proposed regulations contained in project number INTL-52-86, published on February 29, 1988 (53 FR 9991) under sections 6041, 6042, 6045, and 6049. The document proposes related changes to the regulations under sections 163(f), 165(j), 3401, 3406, 6114, and 6413 and proposes further changes to the proposed regulations under section 6109 contained in project number IL-0024-94 published on June 8, 1995 (60 FR 30211). The document proposes to remove certain regulations under income tax treaties.

FOR FURTHER INFORMATION CONTACT: Philip Garlett, (202) 622-3880 for questions on proposed regulations under sections 1441, 1442, 1445, 1461, 1462, 1463, 3401, 6402, and 6413; Wendolyn Stanley, (202) 622-3860 for questions on payments to partnerships; Carl Cooper, (202) 622-3840 for questions on proposed regulations under sections 163(f), 165(j), 871(h) and 881(c) and on withholding agreements; Teresa Burridge Hughes, (202) 622-3880 for questions on proposed regulations under section 6041 through 6049, 6050N; Teresa Burridge Hughes, (202) 622-3880 and Renay France, (202) 622-4910 for questions on proposed regulations under section 3406; Elissa Shendalman, (202) 622-3870 on proposed regulations under sections 6045 and 6049 relating to the reporting of payments made in a currency other than the U.S. dollar or transactions subject to section 988; Lilo Hester, (202) 874-1490 for questions on proposed regulations under section 6109; David F. Bergkuist, (202) 622-3860 for questions on proposed regulations under section 6114 (numbers are not toll-free).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking that is the subject of these corrections are under sections 163(f), 165(j), 871, 881, 1441, 1442, 1461, 1462, 1463, 3401, 3406, 6041A, 6042, 6045, 6049, 6050N, 6109, 6114, 6402, and 6413 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (INTL-062-90; INTL-0032-93; INTL-52-86; INTL-52-94) contain errors which may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking (INTL-062-90; INTL-0032-93; INTL-52-86; INTL-52-94) which is the subject of FR Doc. 96-8936 is corrected as follows:

1. On page 17619, column 1, in the preamble following the paragraph heading “Section 1.1441–1 Requirement for the Withholding of Tax on Payments to Foreign Persons”, line 16 from the top of the column, the language “continue to apply trusts” is corrected to read “continue to apply to trusts.” See § 1.1441–1 is corrected to read “continue to apply to trusts. See § 1.1441–1.

3. On page 17621, column 3, in the preamble following the paragraph heading “Section 1.1441–1 Requirement for the Withholding of Tax on Payments to Foreign Persons”, the second full paragraph, line 3 from the bottom of the paragraph, the language “§ 1.9999–5(b), A9 and that are proposed” is corrected to read “§ 1.9999–5(b), A9 and that are proposed” is corrected to read “§ 1.9999–5(b), A9 and that are proposed.”

4. On page 17626, column 3, in the preamble following the paragraph heading “Section 1.1441–4 Certain Exemptions From Withholding” the first full paragraph, line 11, the language “(which expired on February, 1993). A” is corrected to read “(which expired on February 2, 1993). A”.

5. On page 17628, column 2, in the preamble under the paragraph heading “Section 1.1441–7 General Provisions Relating to Withholding Agents”, the
italicized second paragraph from the bottom of the column, is corrected to read as follows:

Section 1.1441–7(b)(3) of the existing regulations is proposed to be removed, pending comments on the continuing necessity of providing guidance on tax-free covenant bonds.

6. On page 17630, column 2, in the preamble under the paragraph heading “Section 1.1461–1 Deposit and Return of Tax Withheld”, the last two paragraphs under that paragraph heading are merged.

7. On page 17632, column 1, in the preamble following the paragraph heading “Section 31.3401(a)(6)–1(e) Income Exempt From Income Tax”, line 18 from the top of the column, the language “withholding certificate should to be” is corrected to read “withholding certificate should be”.

§ 1.871–14 [Corrected]

8. On page 17633, column 2, § 1.871–14 (a), line 4 from the top of the column, the language “871(h) or 882(a) if such interest is” is corrected to read “871(b) or 882(a) if such interest is”.

§ 1.1441–1 [Corrected]

9. On page 17635, column 1, § 1.1441–1 (b), line 10, the language “of tax and for the withholding agent” is corrected to read “of tax and for which the withholding agent”.

10. On page 17636, column 2, § 1.1441–1 (c)(6)(ii)(B), line 17 from the top of the column, the language “payments made to a single foreign entity” is corrected to read “payments made to a single foreign entity”.

11. On page 17637, column 3, § 1.1441–1 (e)(3)(iii)(E), line 1, the language “If the information is not assuming” is corrected to read “If the qualified intermediary is not assuming”.

12. On page 17638, column 2, § 1.1441–1 (e)(4)(ii)(B), line 10, the language “1(c)(2)(i) or the taxpayer identifying” is corrected to read “1(c)(2)(i) or the taxpayer identifying”. § 1.1441–1 (f)(3)(i), line 4, the language “is presumed made to a U.S. person if the” is corrected to read “is presumed made to a U.S. person unless the”.

§ 1.1441–3 [Corrected]

14. On page 17645, column 3, § 1.1441–3 (e)(2), line 17, the language “dollar amounts withheld from year to” is corrected to read “dollar amounts withheld from year to”.

§ 1.1441–4 [Corrected]

15. On page 17647, column 2, § 1.1441–4 (b)(2)(ii) introductory text, line 6, the language “the penalties of perjury, and contain the” is corrected to read “the penalties of perjury, and contain the”.

16. On page 17648, column 2, § 1.1441–4 (f)(2), line 3, the language “a date that is 60 days after the date these” is corrected to read “the date that is 60 days after the date these”.

§ 1.1441–6 [Corrected]

17. On page 17649, column 3, § 1.1441–6 (b)(1), line 22 from the top of the column, the language “meaning of section 267(b) and 707(b),” is corrected to read “meaning of section 267(b) or 707(b),”.

18. On page 17649, column 3, § 1.1441–6 (b)(1), lines 31 and 32 from the top of the column, the language “this chapter. See paragraph (d) of this section for circumstances under which” is corrected to read “this chapter. See § 1.1441–1(e)(4)(v) for circumstances under which”. § 1.1461–2 [Corrected]

19. On page 17656, column 3, § 1.1461–2 (a)(2)(ii), line 8, the language “must provide a copy or such receipt to” is corrected to read “must provide a copy of such receipt to”.

§ 1.6041–1 [Corrected]

20. On page 17657, column 3, § 1.6041–1 (a)(3)(ii), line 14, the language “royalties; or section 6050P(a) or (b)” is corrected to read “royalties; or section 6050P(a) and (b)”. § 1.6041–4 [Corrected]

21. On page 17658, column 2, § 1.6041–4 (b)(1), line 8, the language “midterm. The term midterm” is corrected to read “midterm and the term midterm”.

22. On page 17658, column 3, § 1.6041–4 (d), line 10, the language “furnished such certification or” is corrected to read “furnished required certification or”.

§ 1.6045–1 [Corrected]

23. On page 17660, column 3, amendmentary instruction 4, under “Par. 34.”, is corrected to read as follows: 4. Revising paragraph (g)(1) heading; removing paragraph (g)(1) introductory text; and revising paragraphs (g)(1)(i) and (g)(2) through (g)(4).

24. On page 17661, column 2, § 1.6045–1 (g)(4)(i), last line in the column, the language “holds a valid Form W–8 on the date that” is corrected to read “holds a valid Form W–8 on the date that”.

§ 1.6049–4 [Corrected]

25. On page 17662, column 1, § 1.6049–4 (c)(3)(ii)(A)(6), line 2 from the top of the column, the language “established on or before a date that is 60” is corrected to read “established on or before the date that is 60”.

§ 1.6049–5 [Corrected]

26. On page 17664, column 1, § 1.6049–5 (g)(2), line 2, the language “holds a valid Form W–8 on a date that” is corrected to read “holds a valid Form W–8 on the date that”.

§ 1.6050N–1 [Corrected]

27. On page 17664, column 3, § 1.6050N–1 (e)(2), line 2, the language “holds a valid Form W–8 on a date that” is corrected to read “holds a valid Form W–8 on the date that”.

§ 31.3406(g)-1 [Corrected]

28. On page 17665, column 2, § 31.3406(g)-1 (e), line 10, the language “evidence described in § 1.6049–5(2)(ii)” is corrected to read “evidence described in § 1.6049–5(c)(2)(ii)”.

§ 301.6114–1 [Corrected]

29. On page 17666, column 2, amendmentary instruction 3, under “Par. 49.”, is corrected to read as follows: 3. Revising paragraphs (c)(1) and (d)(4)(v).

The revisions read as follows:

§ 301.6114–1 [Corrected]

30. On page 17666, column 3, § 301.6114–1 (a)(1)(ii), line 7 from the top of the column, the language “under the penalties of perjury (as well)” is corrected to read “under penalties of perjury (as well)”.

Cynthia E. Grigsby, Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 300

[FRL–5552–3]

National Oil and Hazardous Substances Pollution Contingency Plan; National Priorities List

AGENCY: Environmental Protection Agency.

ACTION: Notice of Intent to Delete USDOE Hanford 1100 Area from the National Priorities List Update: Request for Comments.

SUMMARY: The Environmental Protection Agency (EPA) Region 10 announces its intention to delete the USDOE Hanford 1100 Area from the National Priorities List (NPL) and requests public comment.