

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-104579-13]

RIN 1545-BM09

#### Rules Regarding the Health Insurance Premium Tax Credit

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing final and temporary regulations under section 36B of the Internal Revenue Code (Code) relating to the health insurance premium tax credit. The regulations provide guidance to individuals who enroll in qualified health plans through Affordable Insurance Exchanges (Exchanges) and claim the premium tax credit, and Exchanges that make qualified health plans available to individuals and employers. The text of those temporary regulations also serves as the text of these proposed regulations.

**DATES:** Comments and requests for a public hearing must be received by October 27, 2014.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-104579-13), Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Taxpayers also may submit comments electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-104579-13).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Arvind Ravichandran, (202) 317-4718; concerning submission of comments or to request a hearing, Oluwafunmilayo Taylor, (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background and Explanation of Provisions

Final and temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR Part 1) relating to section 36B and section 162(l) of the Code. The final and temporary regulations provide guidance for individuals who enroll in qualified health plans through Affordable Insurance Exchanges (Exchanges) and claim the premium tax credit, and Exchanges that make qualified health plans available to individuals and employers. The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the final and temporary regulations explains the amendments.

##### Proposed Effective Date

These regulations are proposed to apply for taxable years ending after December 31, 2013. See § 1.36B-1(o). Taxpayers must apply the final and temporary regulations until publication of final regulations.

##### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, this regulation has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

##### Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under **ADDRESSES** heading. The IRS and the Treasury Department request comments on all aspects of the proposed rules. All comments will be available at [www.regulations.gov](http://www.regulations.gov) or upon request. A

public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

##### Drafting Information

The principal authors of these regulations are Arvind Ravichandran, Shareen Pflanz and Steve Toomey of the Office of Associate Chief Counsel (Income Tax & Accounting). However, other personnel from the IRS and the Treasury Department participated in their development.

##### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

##### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

■ **Par. 2.** Section 1.36B-2 is amended by revising paragraphs (b)(2) and (c)(3)(v)(C), and adding paragraph (d) to read as follows:

##### § 1.36B-2 Eligibility for premium tax credit.

\* \* \* \* \*

(b) \* \* \*

(2) [The text of the proposed amendment to § 1.36B-2(b)(2) is the same as the text of § 1.36B-2T(b)(2) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(c) \* \* \*

(3) \* \* \*

(v) \* \* \*

(C) [The text of the proposed amendment to § 1.36B-2(c)(3)(v)(C) is the same as the text of § 1.36B-2T(c)(3)(v)(C) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(d) [The text of the proposed amendment to § 1.36B-2(d) is the same as the text of § 1.36B-2T(d) published elsewhere in this issue of the **Federal Register**].

■ **Par. 3.** Section 1.36B-3 is amended by revising paragraph (g)(1) and adding paragraph (m) to read as follows:

**§ 1.36B-3 Computing the premium assistance credit amount.**

\* \* \* \* \*

(g) \* \* \*

(1) [The text of the proposed amendment to § 1.36B-3(g)(1) is the same as the text of § 1.36B-3T(g)(1) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(m) [The text of the proposed amendment to § 1.36B-3(m) is the same as the text of § 1.36B-3T(m) published elsewhere in this issue of the **Federal Register**.]

■ **Par. 4.** Section 1.36B-4 is amended by:

- 1. Revising paragraph (a)(1)(ii).
- 2. Adding paragraph (a)(3)(iii).
- 3. In paragraph (a)(4), revising *Example 4* and adding *Examples 10, 11, 12, 13, and 14*.
- 4. Revising paragraphs (b)(3) and (b)(4).
- 5. Removing paragraph (b)(5).
- 6. Redesignating paragraph (b)(6) as paragraph (b)(5), and revising *Example 9*, and adding *Example 10* to newly redesignated paragraph (b)(5).
- 7. Adding paragraph (c).

**§ 1.36B-4 Reconciling the premium tax credit with advance credit payments.**

(a) \* \* \*

(1) \* \* \*

(ii) [The text of the proposed amendment to § 1.36B-4(a)(1)(ii) is the same as the text of § 1.36B-4T(a)(1)(ii) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(3) \* \* \*

(iii) [The text of the proposed amendment to § 1.36B-4(a)(3)(iii) is the same as the text of § 1.36B-4T(a)(3)(iii) published elsewhere in this issue of the **Federal Register**.]

(4) [The text of the proposed amendment to § 1.36B-4, *Example 4, Example 10, Example 11, Example 12, Example 13, and Example 14* of paragraph (a)(4) is the same as the text of § 1.36B-4T(a)(4), *Example 4, Example 10, Example 11, Example 12, Example 13, and Example 14* published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(b) \* \* \*

(3) [The text of the proposed amendment to § 1.36B-4(b)(3) is the same as the text of § 1.36B-4T(b)(3) published elsewhere in this issue of the **Federal Register**.]

(4) [The text of the proposed amendment to § 1.36B-4(b)(4) is the

same as the text of § 1.36B-4T(b)(4) published elsewhere in this issue of the **Federal Register**.]

(5) *Examples.* \* \* \*

[The text of the proposed amendment to § 1.36B-4, *Example 9* and *Example 10* of paragraph (b)(5) is the same as the text of § 1.36B-4T, *Example 9* and *Example 10* of paragraph (b)(5) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(c) [The text of the proposed amendment to § 1.36B-4(c) is the same as the text of § 1.36B-4T(c) published elsewhere in this issue of the **Federal Register**.]

■ **Par 5.** Section 1.162(l)-1 is added to read as follows:

**§ 1.162(l)-1. Deduction for health insurance costs of self-employed individuals.**

[The text of the proposed amendment to § 1.162(l)-1(a) through (c) is the same as the text of § 1.162(l)-1T(a) through (c) published elsewhere in this issue of the **Federal Register**.]

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2014-17696 Filed 7-24-14; 4:15 pm]

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[REG-107012-14]

RIN 1545-BM04

**Method of Accounting for Gains and Losses on Shares in Certain Money Market Funds; Broker Returns With Respect to Sales of Shares in Money Market Funds**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains proposed regulations that provide a simplified method of accounting for gains and losses on shares in money market funds (MMFs) that distribute, redeem, and repurchase their shares at prices that reflect market-based valuation of the MMFs' portfolios and more precise rounding than has been required previously (floating net asset value MMFs, or floating-NAV MMFs). The proposed regulations also provide guidance regarding information reporting requirements for shares in

MMFs. The proposed regulations respond to Securities and Exchange Commission (SEC) rules that change how certain MMF shares are priced. The proposed regulations affect floating-NAV MMFs and their shareholders. This document also contains requests for comments and provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by October 27, 2014. Outlines of topics to be discussed at the public hearing scheduled for November 19, 2014, must be received by October 27, 2014.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-107012-14), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-107012-14), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically, via the Federal eRulemaking portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-107012-14). The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Grace E. Cho at (202) 317-6895; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Oluwafunmilayo (Funmi) Taylor at (202) 317-6901 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Background**

This document contains proposed amendments to 26 CFR part 1 (Income Tax Regulations) under sections 446 and 6045 of the Internal Revenue Code (Code). These proposed regulations provide a method of accounting for gain or loss on shares in floating-NAV MMFs. The proposed regulations are intended to simplify tax compliance for holders of shares in MMFs affected by SEC regulations that change how certain MMF shares are priced. See Money Market Fund Reform; Amendments to Form PF, Securities Act Release No. 33-9616, Investment Advisers Act Release No. IA-3879, Investment Company Act Release No. IC-31166, Financial Reporting Codification No. FR-84 (SEC MMF Reform Rules).

An MMF is a type of investment company registered under the Investment Company Act of 1940 (1940 Act) and regulated as an MMF under