checking the box to that effect on its form;

(ii) The controlled group ceases to remain in existence (within the meaning of section 1563(a)) during the calendar year ending on the current December 31st;

(iii) Any corporation which was a component member of such group on the preceding December 31st is not a component member of such group on the current December 31st; or

(iv) Any corporation which was not a component member of such group on the preceding December 31st is a component member of such group on the current December 31st.

(d) *Effective/applicability date.* This section applies to any tax year beginning on or after December 21, 2009. However, taxpayers may apply this section to any Federal income tax return filed on or after December 21, 2009. For tax years beginning before December 21, 2009, *see* § 1.1561–3T as contained in 26 CFR part 1 in effect on April 1, 2009.

§ 1.1561–3T [Removed]

■ **Par. 15.** Section 1.1561–3T is removed.

Steven T. Miller,

Deputy Commissioner for Services and Enforcement.

Approved: December 17, 2009.

Michael Mundaca,

Acting Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. E9–30547 Filed 12–22–09; 4:15 pm]

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DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 285

RIN 1510–AB20

Offset of Tax Refund Payments To Collect Past-Due, Legally Enforceable Nontax Debt

AGENCY: Financial Management Service, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury, Financial Management Service (FMS), is amending its regulation governing the centralized offset of tax refund payments to collect nontax debts owed to the United States. The amendment authorizes the offset of Federal tax refunds irrespective of the amount of time the debt has been outstanding.

DATES: This rule is effective December 28, 2009.

FOR FURTHER INFORMATION CONTACT: Thomas Dungan, Senior Policy Analyst, at (202) 874–6660, or Tricia Long, Senior Counsel, at (202) 874–6680.

SUPPLEMENTARY INFORMATION:

I. Background

The Food, Conservation and Energy Act of 2008, Public Law 110–234, Section 14219, 22 Stat. 923 (2008) (''the Act'') amended the Debt Collection Act of 1982 (as amended by the Debt Collection Improvement Act of 1996) to authorize the offset of Federal nontax payments (for example, contract and salary payments) to collect delinquent Federal debt without regard to the amount of time the debt has been delinquent. Prior to this change, nontax payments could be offset only to collect debt that was delinquent for a period of less than ten years.

There is no similar time limitation in the statutes authorizing offset of Federal tax refund payments to collect Federal nontax debts (*see* 26 U.S.C. 6402(a) and 31 U.S.C. 3720A). However, Treasury had imposed a time limitation on collection of debts by tax refund offset in order to create uniformity in the way that it offset payments. Now that the ten-year limitation has been eliminated for the offset of nontax payments, the rationale for including a ten-year limitation for the offset of tax refund payments no longer applies. Therefore, on June 11, 2009, Treasury issued a notice of proposed rulemaking proposing to remove the limitations period by explicitly stating that no time limitation shall apply. *See* 74 FR 27730. The proposed rule explained that by removing the time limitation, all Federal nontax debts, including debts that were ineligible for collection by offset prior to the removal of the limitations period, may now be collected by tax refund offset.

Additionally, to avoid any undue hardship, Treasury proposed the addition of a notice requirement applicable to debts that were previously ineligible for collection by offset because they had been outstanding for more than ten years. For such debts, creditor agencies must certify to FMS that a notice of intent to offset was sent to the debtor after the debt became ten years delinquent. This notice of intent to offset is meant to alert the debtor that any debt the taxpayer owes to the United States may now be collected by offset, even if it is greater than ten years delinquent. It also allows the debtor additional opportunities to dispute the debt, enter into a repayment agreement or otherwise avoid offset. This requirement will apply even in a case where notice was sent prior to the debt becoming ten years old. This requirement applies only with respect to debts that were previously ineligible for collection by offset because of the previous time limitation. Accordingly, it does not apply with respect to debts that could be collected by offset without regard to any time limitation prior to this regulatory change—for example, Department of Education student loan debts.

II. Discussion of Comments

Public Comments

FMS published a Notice of Proposed Rulemaking with request for comments on June 11, 2009 at 74 FR 27730. Accordingly, FMS is issuing this Final Rule after a review of the comments received.

FMS received two comments on the proposed rule. One commenter expressed general support for the rule.

The second commenter questioned whether the rule should be promulgated if the rule extended the time limitation on the collection of debts owed to entities receiving Federal financial relief in times of economic crisis. The commenter expressed concern that such a rule would have a larger negative impact on the economy than indicated in the notice of proposed rulemaking. This rule, however, only applies to the collection of nontax debts owed to the United States. It does not apply to debts owed to private entities receiving Federal assistance. Therefore, this rule will not have the effect anticipated by the commenter.

FMS did not make any changes to the proposed rule based on the comments received.

III. Regulatory Analysis

Special Analysis

FMS has determined that good cause exists to make this final rule effective upon publication without providing the 30-day period between publication and the effective date contemplated by 5 U.S.C. 553(d). The purpose of a delayed effective date is to afford persons affected by a rule a reasonable time to prepare for compliance. Treasury has been collecting delinquent Federal nontax through tax refund offset since 1986. This final rule only provides guidance that is expected to facilitate Federal agencies' participation in the tax refund offset program with respect to debts that were outstanding more than ten years prior to the effective date of this rule. Therefore, FMS believes that good cause exists, and that it is in

the public interest, to make this final rule effective upon publication.

Regulatory Planning and Review

The rule does not meet the criteria for a ''significant regulatory action'' as defined in Executive Order 12866. Therefore, the regulatory review procedures contained therein do not apply.

Regulatory Flexibility Act Analysis

It is hereby certified that the rule will not have a significant economic impact on a substantial number of small entities. The rule only affects the time that a delinquent nontax debt may be collected. Accordingly, a regulatory flexibility analysis under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) is not required.

Unfunded Mandates Act

Section 202 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1532 (Unfunded Mandates Act), requires that the agency prepare a budgetary impact statement before promulgating any rule likely to result in a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more in any one year. If a budgetary impact statement is required, section 205 of the Unfunded Mandates Act also requires the agency to identify and consider a reasonable number of regulatory alternatives before promulgating the rule. We have determined that the rule will not result in expenditures by State, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more in any one year. Accordingly, we have not prepared a budgetary impact statement or specifically addressed any regulatory alternatives.

List of Subjects in 31 CFR Part 285

Administrative practice and procedure, Black lung benefits, Child support, Claims, Credit, Debts, Disability benefits, Federal employees, Garnishment of wages, Hearing and appeal procedures, Loan programs, Privacy, Railroad retirement, Railroad unemployment insurance, Salaries, Social Security benefits, Supplemental Security Income (SSI), Taxes, Veteran's benefits, Wages.

■ For the reasons set forth in the preamble, 31 CFR part 285 is amended as follows:

PART 285—DEBT COLLECTION AUTHORITIES UNDER THE DEBT COLLECTION IMPROVEMENT ACT OF 1996

■ 1. The authority citation for part 285 continues to read as follows:

Authority: 5 U.S.C. 5514; 26 U.S.C. 6402; 31 U.S.C. 321, 3701, 3711, 3716, 3719, 3720A, 3720B, 3720D; 42 U.S.C. 664; E.O. 13019, 61 FR 51763, 3 CFR, 1996 Comp., p. 216.

■ 2. In § 285.2, remove paragraph (d)(1)(ii), redesignate paragraphs (d)(1)(iii) through (d)(1)(v) as paragraphs (d)(1)(ii) through (d)(1)(iv), respectively, and add paragraph (d)(6) as follows:

§ 285.2 Offset of tax refund payments to collect past-due, legally enforceable nontax debt.

* * * * *

(d) * * *

(6)(i) Creditor agencies may submit debts to FMS for collection by tax refund offset irrespective of the amount of time the debt has been outstanding. Accordingly, all nontax debts, including debts that were delinquent for ten years or longer prior to January 27, 2010 may be collected by tax refund offset.

(ii) For debts outstanding more than ten years on or before January 27, 2010, creditor agencies must certify to FMS that the notice of intent to offset described in paragraph (d)(1)(ii)(B) of this section was sent to the debtor after the debt became ten years delinquent. This requirement will apply even in a case where notice was also sent prior to the debt becoming ten years delinquent, but does not apply to any debt that could be collected by offset without regard to any time limitation prior to January 27, 2010.

* * * * *

Dated: December 18, 2009.

Richard L. Gregg,

Acting Fiscal Assistant Secretary.

[FR Doc. E9–30550 Filed 12–24–09; 8:45 am]

BILLING CODE 4810–35–P

POSTAL SERVICE

39 CFR Part 111

Move Update Assessment Charges for Automation and Presort First-Class Mail and All Standard Mail Mailings

AGENCY: Postal Service™.

ACTION: Final rule, revised.

SUMMARY: The Postal Service issues this notice to revise the final rule that was published in the **Federal Register** on Tuesday, October 27, 2009 providing new Move Update assessment procedures, and to clarify the Performance-Based Verification process.

DATES: Effective January 4, 2010.

FOR FURTHER INFORMATION CONTACT: Bill Chatfield, 202–268–7278.

SUPPLEMENTARY INFORMATION:

In the **Federal Register** final rule published October 27, 2009 (74 FR 55140–42), the Postal Service provided notice of new Move Update assessment charges to be applied during the acceptance process. On November 25, 2009, the Postal Regulatory Commission (PRC) issued Order No. 348 on Move Update, which modified the Postal Service's requested Mail Classification Schedule (MCS) language filed on October 15, 2009. A change of address error tolerance of 30 percent was added to the MCS language, for determining whether a mailing fails the Move Update portion of the Performance-Based Verification (PBV) test.

The Commission retained language about a $0.07 Move Update noncompliance charge for Standard Mail®, and stated that this charge, rather than the difference between postage paid and the First-Class Mail® single-piece price, would apply when Standard Mail mailers do not comply with the Move Update standard. The Commission's modifications affect the Move Update procedures published in the October 27, 2009 final rule. This change is effective January 4, 2010, and will be reflected in the next DMM update on February 1, 2010.

Following are a background summary and descriptions of the changes and procedures for how Move Update assessment charges will be handled at the time of acceptance.

Background

Mailers who claim presorted or automation prices for First-Class Mail, or claim any Standard Mail prices, must identify on the postage statement which Move Update method was used to ensure that the mailing meets the Move Update standard. Additionally, on each postage statement, mailers or their agents, must also affix their signature and certify that the mailing presented for acceptance qualifies for the prices claimed. The Move Update standard requires that a mailer participate in an approved Move Update process, and use the change of address information received through the approved Move Update process, to correct the mailing addresses in the mailing. This has been a longstanding requirement for First-Class Mail presort and automation prices; however, prior to November 2008 the frequency with which a mailer was required to participate in the Move