

send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in the Related Information section of this AD. Information may be e-mailed to: *9-ANM-Seattle-ACO-AMOC-Requests@faa.gov*.

(2) Before using any approved AMOC, notify your Principal Maintenance Inspector or Principal Avionics Inspector, as appropriate, or lacking a principal inspector, your local Flight Standards District Office.

Related Information

(k) For more information about this AD, contact Georgios Roussos, Aerospace Engineer, Systems and Equipment Branch, ANM-130S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98057-3356; telephone (425) 917-6482; fax (425) 917-6590; e-mail: *georgios.roussos@faa.gov*.

(l) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, Washington 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; e-mail *me.boecom@boeing.com*; Internet *https://www.myboeingfleet.com*. You may review copies of the referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington. For information on the availability of this material at the FAA, call 425-227-1221.

Issued in Renton, Washington on January 10, 2011.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2011-876 Filed 1-14-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2010-1311; Directorate Identifier 2009-NM-229-AD]

RIN 2120-AA64

Airworthiness Directives; The Boeing Company Model 757 Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede an existing airworthiness directive (AD) that applies to certain Model 757 airplanes. The existing AD currently requires inspecting certain power feeder wire bundles for damage, inspecting the support clamps for these wire bundles to determine whether the

clamps are properly installed, and performing corrective actions if necessary. This proposed AD would require additional inspections for certain airplanes. This proposed AD results from a report that a power feeder wire bundle chafed against the number six auxiliary slat track, causing electrical wires in the bundle to arc, which damaged both the auxiliary slat track and power feeder wires. We are proposing this AD to prevent arcing that could be a possible ignition source for leaked flammable fluids, which could result in a fire. Arcing could also result in a loss of power from the generator connected to the power feeder wire bundle, and consequent loss of systems, which could reduce controllability of the airplane.

DATES: We must receive comments on this proposed AD by March 4, 2011.

ADDRESSES: You may send comments by any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov*. Follow the instructions for submitting comments.
- *Fax:* 202-493-2251.
- *Mail:* U.S. Department of

Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this proposed AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, Washington 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; e-mail *me.boecom@boeing.com*; Internet *https://www.myboeingfleet.com*. You may review copies of the referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington. For information on the availability of this material at the FAA, call 425-227-1221.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov*; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office

(telephone 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT:

Philip Sheridan, Aerospace Engineer, Systems and Equipment Branch, ANM-130S, FAA, Seattle Aircraft Certification Office (ACO), 1601 Lind Avenue, SW., Renton, Washington 98057-3356; telephone (425) 917-6441; fax (425) 917-6590.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2010-1311; Directorate Identifier 2009-NM-229-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed AD because of those comments.

We will post all comments we receive, without change, to *http://www.regulations.gov*, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this proposed AD.

Discussion

On January 18, 2007, we issued AD 2007-03-01, Amendment 39-14912 (72 FR 3939, January 29, 2007), for certain Model 757 airplanes. That AD requires inspecting certain power feeder wire bundles for damage, inspecting the support clamps for those wire bundles to determine whether the clamps are properly installed, and performing corrective actions if necessary. That AD resulted from a report that a power feeder wire bundle chafed against the number six auxiliary slat track, causing electrical wires in the bundle to arc, which damaged both the auxiliary slat track and power feeder wires. We issued that AD to prevent arcing that could be a possible ignition source for leaked flammable fluids, which could result in a fire. Arcing could also result in a loss of power from the generator connected to the power feeder wire bundle, and consequent loss of systems, which could reduce controllability of the airplane.

Actions Since Existing AD Was Issued

Since we issued AD 2007-03-01, we have learned that Boeing inadvertently identified certain airplanes with incorrect group numbers in Boeing

Special Attention Service Bulletins 757–24–0105 and 757–24–0106, both Revision 2, both dated April 20, 2006. We referred to those service bulletins as the appropriate sources of service information for accomplishing the required actions of AD 2007–03–01. As a result of identifying this error, Boeing has revised Special Attention Service Bulletins 757–24–0105 and 757–24–0106.

Relevant Service Information

We have reviewed Boeing Special Attention Service Bulletin 757–24–0105, Revision 3, dated October 3, 2006; Revision 4, dated January 4, 2008; and Revision 5, dated July 30, 2009 (for Model 757–200, –200CB, and –200PF series airplanes). Boeing Special Attention Service Bulletin 757–24–0105, Revision 3, dated October 3, 2006, corrects a compliance recommendation and adds more part number data applicable to the spacer. Boeing Special Attention Service Bulletin 757–24–0105, Revision 4, dated January 4, 2008, corrects a part number and adds AD data. Boeing Special Attention Service Bulletin 757–24–0105, Revision 5, dated July 30, 2009, contains a change in the airplane group and configuration data, adds maintenance zones, and adds another optional fastener to plug the hole in the bracket. Boeing Special Attention Service Bulletin 757–24–0105, Revision 5, dated July 30, 2009, states that additional work is required for airplanes that have been moved from Group 2 to Group 1, Configuration 2. Boeing Special Attention Service Bulletin 757–24–0105, Revision 5, dated July 30, 2009, states that these airplanes

require a general visual inspection to make sure they have support clamps for the power feeder wire bundles W3312 and W3412 at front spar station 148.90 and clamps installed on the lower brackets on the left wings as shown in Figure 3 of Boeing Special Attention Service Bulletin 757–24–0105, Revision 5, dated July 30, 2009.

We have also reviewed Boeing Special Attention Service Bulletin 757–24–0106, Revision 3, dated October 3, 2006; Revision 4, dated January 4, 2008; and Revision 5, dated July 30, 2009 (for Model 757–300 series airplanes). Boeing Special Attention Service Bulletin 757–24–0106, Revision 3, dated October 3, 2006, corrects a compliance recommendation and adds more part number data applicable to the spacer.

Boeing Special Attention Service Bulletin 757–24–0106, Revision 4, dated January 4, 2008, regrouped certain airplanes from Group 1 to Group 2. For this group of newly moved airplanes, Boeing Special Attention Service Bulletin 757–24–0106, Revision 4, dated January 4, 2008, regrouped airplanes having variable numbers NL101–NL104, NL141, and NL601–NL607 from Group 1 to Group 2 and added wire bundle W5784 and W5786 data. The airplanes moved to Group 2 require additional work: Doing a general visual inspection for damage (including but not limited to chafing) of wire bundles W5784 and W5786, doing a general visual inspection of the support clamps for those power feeder wire bundles to determine whether the clamps are properly installed, and doing corrective actions if necessary. The corrective actions include repairing damage of the

power feeder wire bundles, installing in the correct hole of the attach bracket any support clamp found installed elsewhere, installing a spacer if one is not already installed, and installing a rivet to plug the open hole in the attach bracket.

Boeing Special Attention Service Bulletin 757–24–0106, Revision 5, dated July 30, 2009, adds affected maintenance zones and an optional rivet to plug the open hole in the bracket.

FAA's Determination and Requirements of the Proposed AD

We have evaluated all pertinent information and identified an unsafe condition that is likely to develop on other airplanes of the same type design. For this reason, we are proposing this AD, which would supersede AD 2007–03–01 and would retain the requirements of the existing AD. This proposed AD would also require accomplishing the actions specified in the service information described previously.

Change to Existing AD

We have removed the “Service Bulletin Reference” paragraph from this NPRM. (That paragraph was identified as paragraph (f) in AD 2007–03–01). Instead, we have provided the full service bulletin citations throughout this NPRM.

Costs of Compliance

There are approximately 902 Model 757 airplanes of the affected design in the worldwide fleet. We estimate that 631 airplanes of U.S. registry would be affected by this proposed AD.

ESTIMATED COSTS

Action	Work hours	Average labor rate per hour	Parts	Cost per airplane	Number of U.S.-registered airplanes	Fleet cost
Inspection (required by AD 2007–03–01)	2	\$85	\$0	\$170 per inspection cycle.	683	\$116,110 per inspection cycle.
Inspection for certain Group 1 Model 757–200, –200CB, –200PF series airplanes (new proposed action).	5	\$85	\$0	\$425 per inspection cycle.	646	\$274,550 per inspection cycle.
Inspections for Model 757–300 series airplanes (new proposed action).	4	\$85	\$0	\$340 per inspection cycle.	37	\$12,580 per inspection cycle..

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more

detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, “General requirements.” Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in

air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on

products identified in this rulemaking action.

Regulatory Findings

We have determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that the proposed regulation:

1. Is not a “significant regulatory action” under Executive Order 12866;
2. Is not a “significant rule” under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and
3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this proposed AD and placed it in the AD docket. See the **ADDRESSES** section for a location to examine the regulatory evaluation.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. The FAA amends § 39.13 by removing Amendment 39–14912 (72 FR 3939, January 29, 2007) and adding the following new AD:

The Boeing Company: Docket No. FAA–2010–1311; Directorate Identifier 2009–NM–229–AD.

Comments Due Date

(a) The FAA must receive comments on this AD action by March 4, 2011.

Affected ADs

(b) This AD supersedes AD 2007–03–01, Amendment 39–14912.

Applicability

(c) This AD applies to The Boeing Company Model 757–200, –200PF, –200CB, and –300 series airplanes, certificated in any category, specified in paragraphs (c)(1) and (c)(2) of this AD.

(1) Model 757–200, –200PF, and –200CB series airplanes, as identified in Boeing Special Attention Bulletin 757–24–0105, Revision 5, dated July 30, 2009.

(2) Model 757–300 series airplanes, as identified in Boeing Special Attention Bulletin 757–24–0106, Revision 5, dated July 30, 2009.

Subject

(d) Air Transport Association (ATA) of America Code 24: Electrical power.

Unsafe Condition

(e) This AD results from a report that a power feeder wire bundle chafed against the number six auxiliary slat track, causing electrical wires in the bundle to arc, which damaged both the auxiliary slat track and

power feeder wires. The Federal Aviation Administration is issuing this AD to prevent arcing that could be a possible ignition source for leaked flammable fluids, which could result in a fire. Arcing could also result in a loss of power from the generator connected to the power feeder wire bundle, and consequent loss of systems, which could reduce controllability of the airplane.

Compliance

(f) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Restatement of Requirements of AD 2007–03–01, With Revised Service Information and Affected Airplane Groups:

One-Time Inspections and Corrective Actions

(g) For Model 757–200, –200PF, and –200CB series airplanes; and for Model 757–300 series airplanes identified as Group 1 airplanes in Boeing Special Attention Service Bulletin 757–24–0106, Revision 5, dated July 30, 2009: Within 24 months after March 5, 2007 (the effective date for AD 2007–03–01), perform a general visual inspection for damage (including but not limited to chafing) of power feeder wire bundles W3312 and W3412 at front spar station 148.90 in the left and right wings, and a general visual inspection of the support clamps for those power feeder wire bundles to determine whether the clamps are properly installed, and, before further flight, do all applicable corrective actions. Do these actions by doing all of the applicable actions in accordance with the Accomplishment Instructions of the applicable service bulletin identified in Table 1 of this AD. After the effective date of this AD, only Boeing Special Attention Service Bulletin 757–24–0105, Revision 5, dated July 30, 2009 (for Model 757–200, –200CB, and –200PF series airplanes); or Boeing Special Attention Service Bulletin 757–24–0106, Revision 5, dated July 30, 2009 (for Model 757–300 series airplanes); may be used.

TABLE 1—ACCEPTABLE SERVICE BULLETIN REVISIONS

Model—	Boeing Special Attention Service Bulletin—	Revision—	Dated—
757–200, –200CB, and –200PF series airplanes	757–24–0105	2	April 20, 2006.
757–200, –200CB, and –200PF series airplanes	757–24–0105	5	July 30, 2009.
757–300 series airplanes	757–24–0106	2	April 20, 2006.
757–300 series airplanes	757–24–0106	5	July 30, 2009.

Actions Accomplished Previously for Paragraph (g) of This AD

(h) Inspections and corrective actions done before March 5, 2007, in accordance with the

service information listed in Table 2 of this AD are acceptable for compliance with the corresponding actions required by paragraph (g) of this AD.

TABLE 2—OTHER ACCEPTABLE SERVICE BULLETIN REVISIONS FOR PREVIOUSLY ACCOMPLISHED ACTIONS

Boeing Special Attention Service Bulletin—	Revision—	Dated—
757–24–0105	Original	September 30, 2004.
757–24–0105	1	June 23, 2005.
757–24–0106	Original	September 30, 2004.

TABLE 2—OTHER ACCEPTABLE SERVICE BULLETIN REVISIONS FOR PREVIOUSLY ACCOMPLISHED ACTIONS—Continued

Boeing Special Attention Service Bulletin—	Revision—	Dated—
757–24–0106	1	June 23, 2005.

New Requirements of This AD

Additional Work for Model 757–200, –200CB, and –200PF Series Airplanes Identified in Revision 5 of the Service Information

(i) For Model 757–200, –200CB, and –200PF series airplanes on which inspections

have been done before the effective date of this AD in accordance with any service bulletin specified in Table 3 of this AD: Within 24 months after the effective date of this AD, do a general visual inspection to determine that the clamp is installed on the lower bracket on the left wing as shown in Figure 3 of Boeing Special Attention Service

Bulletin 757–24–0105, Revision 5, dated July 30, 2009. If any clamp is missing, before further flight, install a clamp on the lower bracket on the left wing, in accordance with Figure 3 of Boeing Special Attention Service Bulletin 757–24–0105, Revision 5, dated July 30, 2009.

TABLE 3—ACCEPTABLE REVISIONS OF SERVICE INFORMATION FOR ACTIONS ACCOMPLISHED BEFORE THE EFFECTIVE DATE OF THIS AD

Boeing Special Attention Service Bulletin—	Revision—	Dated—
757–24–0105	Original	September 30, 2004.
757–24–0105	1	June 23, 2005.
757–24–0105	2	April 20, 2006.
757–24–0105	3	October 3, 2006.
757–24–0105	4	January 4, 2008.

(j) For Group 2 airplanes as identified in Boeing Special Attention Service Bulletin 757–24–0106, Revision 5, dated July 30, 2009: Within 24 months after the effective date of this AD, perform a general visual inspection for damage (including, but not limited to chafing) of power feeder wire bundles W5784 and W5786 at front spar station 148.90 in the left and right wings, and a general visual inspection of the support clamps for those power feeder wire bundles to determine whether the clamps are properly installed, and, before further flight,

do all applicable corrective actions. Do all applicable actions in accordance with the Accomplishment Instructions of Boeing Special Attention Service Bulletin 757–24–0106, Revision 5, dated July 30, 2009.

Credit for Actions Accomplished in Accordance With Previous Service Information

(k) Inspections and corrective actions done before the effective date of this AD in accordance with Boeing Special Attention Service Bulletin 757–24–0106, Revision 4,

dated January 4, 2008, are acceptable for compliance with the corresponding actions required by paragraph (j) of this AD.

(l) Inspections and corrective actions done before the effective date of this AD in accordance with the service information listed in Table 4 of this AD are acceptable for compliance with the corresponding actions required by paragraph (j) of this AD, provided that power feeder wire bundles W5784 and W5786 were inspected and all applicable correction actions were done.

TABLE 4—OTHER ACCEPTABLE SERVICE BULLETIN REVISIONS FOR PARAGRAPH (J) OF THIS AD

Boeing Special Attention Service Bulletin—	Revision—	Dated—
757–24–0106	Original	September 30, 2004.
757–24–0106	1	June 23, 2005.
757–24–0106	2	April 20, 2006.
757–24–0106	3	October 3, 2006.

(m) Inspections and corrective actions done before the effective date of this AD in

accordance with the service information listed in Table 5 of this AD are acceptable for

compliance with the corresponding actions required by paragraph (g) of this AD.

TABLE 5—OTHER ACCEPTABLE SERVICE BULLETIN REVISIONS FOR PARAGRAPH (G) OF THIS AD

Boeing Special Attention Service Bulletin—	Revision—	Dated—
757–24–0106	3	October 3, 2006.
757–24–0106	4	January 4, 2008.

Special Flight Permit

(n) Special flight permits may be issued in accordance with §§ 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished, provided that the generator served by the power feeder wire bundles specified in paragraph (g) or (j) of this AD, as applicable, is disconnected.

Alternative Methods of Compliance (AMOCs)

(o)(1) The Manager, Seattle Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Philip Sheridan, Aerospace Engineer, Systems and Equipment Branch, ANM–130S, FAA, Seattle Aircraft Certification Office

(ACO), 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 917–6441; fax (425) 917–6590. Information may be e-mailed to: 9-ANM-Seattle-ACO-AMOC-Requests@faa.gov.

(2) AMOCs approved previously in accordance with AD 2007–03–01, Amendment 39–14912, are approved as AMOCs for the corresponding provisions of paragraph (g) of this AD.

(3) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

Issued in Renton, Washington, on January 10, 2011.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2011-879 Filed 1-14-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 31

[REG-146097-09]

RIN 1545-BJ01

Guidance on Reporting Interest Paid to Nonresident Aliens; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to a notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains corrections to a notice of proposed rulemaking and notice of public hearing (REG-146097-09) that was published in the **Federal Register** on Friday, January 7, 2011 (76 FR 1105) providing guidance on the reporting requirements for interest on deposits maintained at U.S. offices of certain financial institutions and paid to nonresident alien individuals.

FOR FURTHER INFORMATION CONTACT: Kathryn Holman, (202) 622-3840 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The correction notice that is the subject of this document is under sections 6049 and 3406 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking and notice of public hearing (REG-146097-09) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking and notice of public hearing (REG-146097-09), which was the subject of FR Doc. 2011-82, is corrected as follows:

1. On page 1105, column 3, in the preamble, under the caption **DATES:**,

fourth line, the language “public hearing scheduled for April 28,” is corrected to read “public hearing scheduled for April 27.”

2. On page 1107, column 2, in the preamble, under the paragraph heading “Comments and Public Hearing”, fourth paragraph of the column, second line, the language “for April 28, 2011, beginning at 10 a.m.” is corrected to read “for April 27, 2011, beginning at 10 a.m.”.

LaNita Van Dyke,

Branch Chief, Publications and Regulations, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 2011-829 Filed 1-14-11; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[REG-131151-10]

RIN 1545-BJ89

Rewards and Awards for Information Relating to Violations of Internal Revenue Laws

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains a proposed regulation relating to the payment of rewards under section 7623(a) of the Internal Revenue Code and awards under section 7623(b). The guidance is necessary to clarify the definition of proceeds of amounts collected and collected proceeds under section 7623. This regulation provides needed guidance to the general public as well as officers and employees of the IRS who review claims under section 7623.

DATES: Written or electronic comments and requests for a public hearing must be received by April 18, 2011.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG-131151-10), 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-131151-10), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS-REG-131151-10).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulation, Kirsten N. Witter, at (202) 927-0900; concerning submissions of comments and requests for a public hearing, Richard A. Hurst at Richard.A.Hurst@irscounsel.treas.gov, or (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provision

Section 7623(a) provides the Secretary with the authority to pay such sums as he deems necessary from proceeds of amounts collected based on information provided to the Secretary when the information relates to the detection of underpayments of tax or the detection and bringing to trial and punishment persons guilty of violating the internal revenue laws or conniving at the same. Section 7623(b) provides the Secretary with the authority to pay awards to individuals if the Secretary proceeds with an administrative or judicial action described in section 7623(a) that results in collected proceeds based on information provided by the individuals. Section 301.7623-1(a) currently provides that proceeds of amounts (other than interest) collected by reason of the information provided include both amounts collected because of the information provided and amounts collected prior to receipt of the information if the information leads to the denial of a claim for refund that otherwise would have been paid. 63 FR 44777.

Section 301.7623-1(a) was promulgated prior to amendments of section 7623 as part of the Tax Relief and Health Care Act of 2006, division A, section 406, Public Law 109-432, 120 Stat. 2958. The amendments designated the existing section 7623 as section 7623(a). As originally enacted, section 7623 provided that rewards shall be paid “from the proceeds of amounts (other than interest) collected by reason of the information provided z5 * * *” The 2006 amendments to section 7623 struck the “other than interest” language. The amendments also added section 7623(b), which provides that in certain cases individuals shall receive an award of at least 15% but not more than 30% of the collected proceeds resulting from the action with which the Secretary proceeded based on information brought to the attention of the Secretary by the individual. The 2006 amendments to section 7623 also created the IRS Whistleblower Office, which is responsible for administering a whistleblower program within the IRS.