

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 Parts 31 and 301

[REG–163195–05]

RIN 1545–BG53

Removal of the Qualified Payment Card Agent Program

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed rulemaking and notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that will remove regulations relating to information reporting and backup withholding for the Qualified Payment Card Agent (QPCA) Program. This document also amends regulations to remove references to the QPCA Program and withdraws proposed regulations relating to the QPCA Program. Enactment of the payment card and third party network reporting requirements in the Housing Assistance Tax Act of 2008 made the QPCA Program obsolete. Because no payors have applied to be designated as a QPCA (and no payors have been designated as a QPCA), no taxpayers will be affected by these proposed regulations.

DATES: Comments and requests for a public hearing must be received by June 23, 2014.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG–163195–05), Room 5205, 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 8:00 a.m. and 4:00 p.m. to CC:PA:LPD:PR (REG–163195–05), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224. Alternatively, taxpayers may submit comments electronically via the Federal eRulemaking Portal at

www.regulations.gov (IRS REG–163195–05).

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Michael Hara, (202) 317–5413; concerning the submission of comments and requests for a public hearing, Oluwafunmilayo Taylor, (202) 317–6901 (not toll-free calls).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

This document contains proposed regulations to remove deadwood provisions implementing the now obsolete QPCA Program. When finalized, the proposed regulations would remove § 31.3406(g)–1(f), § 301.6724–1(e)(1)(vi)(H), and § 301.6724–1(f)(5)(vii). In addition, the proposed regulations would amend § 301.6724–1(c)(6) to remove references to QPCAs. This document also withdraws proposed regulations (REG–163195–05) relating to the QPCA Program.

The QPCA Program was developed by the IRS to enhance the accuracy of section 6041 information reporting in transactions where a payment card, such as a credit card, is accepted as payment. Under the QPCA Program, a payment card organization may apply to be designated as a QPCA. For this purpose, a payment card organization is an entity that sets the standards and provides the mechanism, either directly or indirectly through members and affiliates, for effectuating payment between a purchaser and a merchant in a payment card transaction. See § 5.06 of Notice 2007–59, 2007–30 IRB 135 (July 23, 2007). Once designated, the QPCA may act on behalf of a payor/cardholder to solicit, collect, and validate the name and taxpayer identification number (TIN) of a payee/merchant, and provide that information to the payor/cardholder so that the payor/cardholder can meet its section 6041 reporting obligation, if any.

Enactment of section 6050W and changes to the regulations under section 6041 obsolete the QPCA Program by requiring payment card organizations, rather than payor/cardholders, to report payments made in payment card transactions to payees/merchants. See § 1.6041–1(a)(1)(iv) (eliminating duplicate reporting under section 6041

if the payment is subject to reporting under section 6050W).

Section 6041(a) requires persons engaged in a trade or business and making payment in the course of such trade or business to another person of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income of \$600 or more in any one taxable year to file information returns with the IRS and to furnish information statements to payees. Among other items, the payor must include the payee's name and TIN on the information return and the information statement. Section 3406(a)(1) requires a payor to withhold on any reportable payment (as defined in section 3406(b)(1)) if: (1) The payee fails to furnish the payee's TIN to the payor as required; or (2) the Secretary notifies the payor that the TIN furnished by the payee is incorrect.

On January 31, 2003, temporary regulations relating to the IRS TIN Matching Program were published in the **Federal Register** (TD 9041) (68 FR 4922). Under the IRS TIN Matching Program, a participating payor may reduce name/TIN errors on information returns by contacting the IRS before filing to verify whether the name and TIN combination furnished by a payee matches IRS records. The 2003 temporary regulations permit a payor's authorized agent to participate in the IRS TIN Matching Program on behalf of the payor. Under the authority of these temporary regulations, the IRS issued Rev. Proc. 2003–9 (2003–1 CB 516 (February 24, 2003)) (see § 601.601(d)(2)(ii)(b) of this chapter) to allow all payors, as well as a payor's authorized agent, to participate in the IRS TIN Matching Program.

A notice of proposed rulemaking (REG–116641–01) cross-referencing the 2003 temporary regulations was also published in the **Federal Register** (68 FR 4970) for January 31, 2003. The notice of proposed rulemaking contained additional proposed rules relating to the information reporting and backup withholding requirements for payment card transactions effectuated through a QPCA.

On February 24, 2003, Notice 2003–13 (2003–1 CB 513 (February 24, 2003)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue

Bulletin, announcing a proposed revenue procedure that would establish a procedure for a payment card organization to request a determination that it is a QPCA.

On July 13, 2004, final regulations relating to the information reporting requirements, information reporting penalties, and backup withholding requirements for payment card transactions effectuated through a QPCA were published in the **Federal Register** (TD 9136) (69 FR 41938). The amendments implementing the QPCA Program were generally effective for payments made on or after January 1, 2005. The final regulations also made the temporary regulations implementing the TIN Matching Program permanent.

On August 2, 2004, Revenue Procedure 2004-42 (2004-2 CB 121 (August 2, 2004)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue Bulletin, setting forth procedures for a payment card organization to request a determination that it is a QPCA. Also on August 2, 2004, Revenue Procedure 2004-43 (2004-2 CB 124 (August 2, 2004)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue Bulletin, setting forth an optional procedure for payors who make payments in the course of their trade or business through payment cards to use Merchant Category Codes, or other similar codes to determine whether the payments are reportable under sections 6041 and 6041A.

On July 13, 2007, a notice of proposed rulemaking (REG-163195-05) proposing revisions to the QPCA Program allowing merchants to opt-out of the QPCA Program and permitting QPCA's to furnish certain payee notifications electronically was published in the **Federal Register** (72 FR 38534).

On July 23, 2007, Notice 2007-59 (2007-30 IRB 135 (July 23, 2007)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue Bulletin, which provided a proposed revenue procedure that would supersede Rev. Proc. 2004-42 to revise procedures for a payment card organization to request a determination that it is a QPCA.

On July 30, 2008, Congress enacted the Housing Assistance Tax Act of 2008, Public Law 110-289, which added section 6050W to the Internal Revenue Code. Section 6050W requires payment settlement entities, including payment card organizations, to report payments made in settlement of payment card and third party network transactions. Regulations published under section 6050W and section 6041 provide, among other things, that payments

required to be reported under section 6050W are not also required to be reported under section 6041. See § 1.6041-1(a)(1)(iv). Because payment card organizations now have a reporting obligation with respect to payment card transactions, there is no longer a need for payment card organizations to solicit, collect, and verify payee/merchant names/TINs for the payor/cardholder. Thus, enactment of section 6050W made the QPCA Program obsolete. Accordingly, the regulations under § 31.3406(g)-1(f), § 301.6724-1(e)(1)(vi)(H), and § 301.6724-1(f)(5)(vii) are proposed to be removed, § 301.6724-1(c)(6) of the regulations is proposed to be amended, and the proposed regulations published in the **Federal Register** on July 13, 2007, are being withdrawn. In addition, Revenue Procedure 2004-42, Revenue Procedure 2004-43, Notice 2003-13, Notice 2003-37, and Notice 2007-59 are obsolete. See § 601.601(d)(2)(ii)(b).

Effective Date

Sections 31.3406(g)-1(f), § 301.6724-1(e)(1)(vi)(H), and § 301.6724-1(f)(5)(vii) would be removed on the date these regulations are published as final regulations in the **Federal Register**. Amendments to § 301.6724-1(c)(6) would be effective on the date these regulations are published as final in the **Federal Register**.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. 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. 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 notice of proposed rulemaking 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 the "Addresses" heading. The Treasury Department and the IRS requested comments on all aspects of

the proposed rules. All comments will be available at www.regulations.gov or upon request.

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

Effect on Other Documents

The following publications are obsolete as of the date these regulations are published as final regulations in the **Federal Register**: Notice 2003-13, (2003-1 CB 513); Notice 2003-37 (2003-1 CB 1121); Rev. Proc. 2004-42 (2004-2 CB 121); Rev. Proc. 2004-43 (2004-2 CB 124); and Notice 2007-59 (2007-30 IRB 135) (see § 601.601(d)(2)(ii)(b) of this chapter).

Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking (REG-163195-05) that was published in the **Federal Register** on July 13, 2007 (72 FR 38534) is withdrawn.

Drafting Information

The principal author of these proposed regulations is Michael Hara of the Office of Associate Chief Counsel (Procedure and Administration).

List of Subjects

26 CFR Part 31

Employment taxes, Income taxes, Penalties, Pensions, Railroad retirement, Reporting and recordkeeping requirements, Social security, Unemployment compensation.

26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Income taxes, Gift taxes, Penalties, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 31 and 301 are proposed to be amended as follows:

PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE

■ **Paragraph 1.** The authority citation for part 31 continues to read in part as follows:

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

§ 31.3406(g)-1 [Amended]

■ **Par. 2.** Section 31.3406(g)-1 is amended by removing paragraph (f).

PART 301—PROCEDURE AND ADMINISTRATION

■ **Par. 3.** The authority citation for part 301 continues to read in part as follows:

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

§ 301.6724–1 [Amended]

■ **Par. 4.** Section 301.6724–1 is amended by:

■ a. Removing the language “or a qualified Payment Card Agent (QPCA) as defined in § 31.3406(g)–1(f)(2)(v) of this chapter,” from the introductory text of paragraph (c)(6).

■ b. Removing paragraphs (e)(1)(vi)(H) and (f)(5)(vii).

John Dalrymple,

Deputy Commissioner for Services and Enforcement.

[FR Doc. 2014–06209 Filed 3–21–14; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF EDUCATION

34 CFR Chapter III

Proposed Priority—National Institute on Disability and Rehabilitation Research—Rehabilitation Research and Training Centers

CFDA Number: 84.133B–8.

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Proposed priority.

SUMMARY: The Assistant Secretary for Special Education and Rehabilitative Services proposes a priority for the Rehabilitation Research and Training Center (RRTC) Program administered by the National Institute on Disability and Rehabilitation Research (NIDRR). Specifically, this notice proposes a priority for an RRTC on Family Support. We take this action to focus research attention on an area of national need. We intend the priority to contribute to improved outcomes in this area for individuals with disabilities and family members who provide assistance to them.

DATES: We must receive your comments on or before April 23, 2014.

ADDRESSES: Submit your comments through the Federal eRulemaking Portal or via postal mail, commercial delivery, or hand delivery. We will not accept comments submitted by fax or by email or those submitted after the comment period. To ensure that we do not receive duplicate copies, please submit your comments only once. In addition, please include the Docket ID at the top of your comments.

• *Federal eRulemaking Portal:* Go to www.regulations.gov to submit your comments electronically. Information on using Regulations.gov, including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site under “Are you new to the site?”

• *Postal Mail, Commercial Delivery, or Hand Delivery:* If you mail or deliver your comments about these proposed regulations, address them to Marlene Spencer, U.S. Department of Education, 400 Maryland Avenue SW., Room 5133, Potomac Center Plaza (PCP), Washington, DC 20202–2700.

Privacy Note: The Department’s policy is to make all comments received from members of the public available for public viewing in their entirety on the Federal eRulemaking Portal at www.regulations.gov. Therefore, commenters should be careful to include in their comments only information that they wish to make publicly available.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1–800–877–8339.

SUPPLEMENTARY INFORMATION: This notice of proposed priority is in concert with NIDRR’s currently approved Long-Range Plan (Plan). The Plan, which was published in the **Federal Register** on April 4, 2013 (78 FR 20299), can be accessed on the Internet at the following site: www.ed.gov/about/offices/list/osers/nidrr/policy.html.

The Plan identifies a need for research and training in a number of areas, including the needs of families with members with disabilities. To address this need, NIDRR seeks to: (1) improve the quality and utility of disability and rehabilitation research; (2) foster an exchange of research findings, expertise, and other information to advance knowledge and understanding of the needs of individuals with disabilities and their family members, including those from among traditionally underserved populations; (3) determine effective practices, programs, and policies to improve community living and participation, employment, and health and function outcomes for individuals with disabilities of all ages; (4) identify research gaps and areas for promising research investments; (5) identify and promote effective mechanisms for integrating research and practice; and (6) disseminate research findings to all major stakeholder groups, including individuals with disabilities and their families in formats that are appropriate and meaningful to them.

This notice proposes one priority that NIDRR intends to use for one or more competitions in fiscal year (FY) 2014 and possibly later years. NIDRR is under no obligation to make an award under this priority. The decision to make an award will be based on the quality of applications received and available funding. NIDRR may publish additional priorities, as needed.

Invitation to Comment: We invite you to submit comments regarding this notice. To ensure that your comments have maximum effect in developing the notice of final priority, we urge you to identify clearly the specific topic within the priority that each comment addresses.

We invite you to assist us in complying with the specific requirements of Executive Orders 12866 and 13563 and their overall requirement of reducing regulatory burden that might result from this proposed priority. Please let us know of any further ways we could reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the program.

During and after the comment period, you may inspect all public comments about this proposed priority by following the instructions found under the “Are you new to the site?” portion of the Federal eRulemaking Portal at www.regulations.gov. Any comments sent to NIDRR via postal mail, commercial deliver, or hand delivery can be viewed in Room 5133, 550 12th Street SW., PCP, Washington, DC, between the hours of 8:30 a.m. and 4:00 p.m., Washington, DC time, Monday through Friday of each week except Federal holidays.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request we will provide an appropriate accommodation or auxiliary aid to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for this notice. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

Purpose of Program: The purpose of the Disability and Rehabilitation Research Projects and Centers Program is to plan and conduct research, demonstration projects, training, and related activities, including international activities, to develop methods, procedures, and rehabilitation technology that maximize the full inclusion and integration into society, employment, independent living, family support, and economic and social self-