

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Parts 31 and 301**

[REG-163195-05]

RIN 1545-BG53

**Information Reporting and Backup Withholding for Payment Card Transactions****AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains proposed regulations relating to the information reporting requirements, information reporting penalties, and backup withholding requirements for payment card transactions. The proposed regulations in this document affect payors (and their authorized agents) and payees of certain reportable payments and provide guidance necessary to comply with the law. The proposed regulations are necessary to address implementation and notice furnishing issues that arose after publication of final regulations under section 3406(g) that were published in the **Federal Register** on July 13, 2004 in Treasury decision 9136 (69 FR 41928). This document also provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by October 9, 2007. Outlines of topics to be discussed at the public hearing scheduled for November 7, 2007, must be received by October 9, 2007.

*Applicability Dates:* See the Proposed Effective Dates section of the

**SUPPLEMENTARY INFORMATION.**

**ADDRESSES:** Send submissions to CC:PA:LPD:PR (REG-163195-05), Room 5203, Internal Revenue Service, POB 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-163195-05), 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-163195-05).

**FOR FURTHER INFORMATION CONTACT:** Concerning the regulations, Michael Hara (202) 622-4910; concerning submission of comments, Kelly Banks (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:****Paperwork Reduction Act**

The collection of information contained in these proposed regulations has been previously reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545-1819. Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Comments on the collection of information should be received by September 11, 2007. Comments are specifically requested concerning the accuracy of the estimated burden associated with the collection of information and suggestions on how the burden may be minimized.

The collection of information is in § 31.3406(g)-1(f)(3). This information is necessary to notify a cardholder/payor that a merchant/payee is not a qualified payee for purposes of the regulations, and for cardholders/payors and merchant/payees to consent to receive notices electronically. This information will alert a cardholder/payor that backup withholding under section 3406 may apply for future reportable payments. The collection of information is voluntary to obtain a benefit. The likely respondents are business or other for-profit institutions.

*Estimated Total Annual Reporting Burden:* 37,239,570 hours.

*Estimated Average Annual Burden Per Respondent:* 1.19 hours.

*Estimated Number of Respondents:* 31,256,000.

*Estimated Frequency of Responses:* Monthly.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

**Background**

This document contains proposed amendments to 26 CFR part 31 relating to backup withholding under section 3406 of the Internal Revenue Code (Code) and proposed amendments to 26 CFR part 301 relating to waivers under Code section 6724 of information reporting penalties under Code sections 6721 and 6722.

Section 6041(a) of the Code 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. Section 6041(d) requires the payor to furnish information statements to payees. Among other items, the payor must include the payee's name and taxpayer identification number (TIN) on the information return and the information statement. Section 6041A of the Code imposes similar requirements with respect to payments of remuneration for services and direct sales.

In general, section 6721(a)(1) imposes a \$50 penalty for each failure to file an information return on or before the required filing date, for any failure to include all of the information required to be shown on the return, or for the inclusion of incorrect information. Section 6722(a)(1) imposes similar penalties with respect to the information statements required to be furnished to payees. Section 6724(a) provides that no penalty will be imposed under section 6721 or section 6722 if it is shown that the failure is due to reasonable cause and not to willful neglect.

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. Section 3406(a)(1) also requires withholding in certain other situations that are not addressed in these regulations. Section 3406(i) provides that the Secretary shall prescribe the regulations necessary or appropriate to carry out the purposes of section 3406.

A payment card transaction is a transaction in which a cardholder/payor uses a payment card to purchase goods or services and a merchant agrees to accept a payment card as a means of obtaining payment. A payment card is a card (or an account) that (1) is issued by a payment card organization or one of its members, affiliates, or licensees to a cardholder/payor and (2) represents, upon presentation to a merchant/payee, an agreement of the cardholder to pay the merchant through the payment card organization. A payment card organization is an entity that sets the standards and provides the mechanism, acting directly or indirectly through its members, affiliates, or licensees, for

effectuating payment between a purchaser and a merchant in a payment card transaction.

Information reporting compliance is difficult in payment card transactions because an invoice may not be issued, and the employee representing the cardholder/payor in the transaction might not request and obtain the name/TIN combination of the merchant/payee at the time of the transaction. In addition, backup withholding may be difficult because a merchant receives payment from the payment card organization within a few days after the transaction, but the cardholder does not pay the payment card organization until after it receives a payment card monthly billing statement.

#### 2004 Regulations

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 Qualified Payment Card Agent (QPCA) were published in the **Federal Register** (TD 9136; 69 FR 41938). These regulations (the 2004 QPCA regulations) provide limited exceptions to the backup withholding requirements for payment card transactions. The principal exception in § 31.3406(g)–1(f)(1)(i) of the regulations applies if the payment is made through a QPCA and the payee is a qualified payee.

Section 31.3406(g)–1(f)(2)(vi) of the regulations provides that a payee is a qualified payee if, at the time of the payment, the QPCA has validated the payee's TIN through the IRS TIN Matching Program or if the payment is made during the six-month period following the date on which the QPCA first makes a payment to the payee (six-month grace period). Under the regulations, a QPCA must notify a cardholder/payor of any merchant/payees that are not qualified payees.

Section 31.3406(g)–1(f)(1)(ii) of the regulations provides a second exception for payments to persons other than qualified payees. Under this exception, reportable payments made through a QPCA are exempt from backup withholding if the purchase to which the payment relates is made no later than two months after the date by which the QPCA is required to provide notification to the payor that the payee is not a qualified payee.

In addition, the regulations provide in § 301.6724–1(e) and (f) that cardholder/payors may establish, based on good faith reliance on a QPCA, that a failure subject to penalty under section 6721 or 6722 is due to reasonable cause.

#### Other Guidance

On July 14, 2004, the IRS issued Rev. Proc. 2004–42 (2004–2 CB 121) which establishes procedures to implement the rules contained in the 2004 QPCA regulations. The revenue procedure provides that a QPCA may act on behalf of a cardholder/payor for purposes of soliciting, collecting, and validating the names/TINs of the merchant/payees and on behalf of a merchant/payee for purposes of furnishing the payee's name and TIN to the cardholder/payor. The revenue procedure also sets forth the requirements that a payment card organization must satisfy to obtain an IRS determination that it is a QPCA. These requirements include requirements that the payment card organization provide certain notifications to cardholder/payors and merchant/payees and obtain the authorization of cardholder/payors and merchant/payees to act on their behalf for certain purposes. See § 601.601.(d)(2)(ii)(b).

#### Requests for Changes

Some taxpayers subject to the 2004 QPCA regulations and related procedures have requested that the regulations in § 31.3406(g)–1(f) be amended, and the procedures in Rev. Proc. 2004–42 be modified, to allow a merchant to accept a QPCA's payment card even if the merchant opts out of the QPCA program. Taxpayers subject to the 2004 QPCA regulations and related procedures have also requested that the regulations be amended, and the procedures in Rev. Proc. 2004–42 be modified, to reflect the current electronic business operations of the payment card industry. Specifically, payment card organizations have asked that they be permitted to furnish required notifications electronically, including by posting on a secure website.

#### Explanation of Provisions

The IRS and the Treasury Department agree that a merchant/payee should be allowed to accept a QPCA's payment card even if the merchant/payee opts out of the QPCA program. The IRS is issuing a proposed revenue procedure providing that a merchant/payee may opt out of the QPCA program by completing and returning a written statement to the payment card organization and that a nonparticipating merchant/payee may continue to accept the organization's payment card. If a merchant/payee opts out of the QPCA program, payments to the merchant/payee made after the six-month grace period are treated under § 31.3406(g)–

1(f)(2)(vi) of the proposed regulations as payments to a person other than a qualified payee. In addition, the proposed regulations modify the rule permitting cardholders to rely on a QPCA to solicit, validate, and furnish a payee's TIN. Under proposed § 301.6724–1(e)(1)(vi)(H), such reliance generally would not be permitted after the cardholder is notified that the merchant is not a participating payee.

These proposed regulations also modify the notification requirements in § 31.3406(g)–1(f)(3) by adding notification requirements relating to payments to nonparticipating merchant/payees. Although QPCAs do not act on behalf of nonparticipating payees in furnishing payee data to cardholders, the proposed regulations provide that a QPCA is required to furnish certain information to cardholders that use the QPCA's card to make reportable payments to nonparticipating payees. Specifically, the QPCA would be required to inform the cardholder that the payee is not a participant in the QPCA program and is not a qualified payee. In addition, the QPCA must advise the cardholder/payor of the cardholder/payor's obligation to solicit the TIN of a nonparticipating merchant/payee to which it makes a reportable payment.

In the preamble to the 2004 QPCA regulations, the IRS and the Treasury Department indicated they were considering whether a QPCA should be allowed to furnish information regarding payee status electronically on a secure website. The IRS and the Treasury Department have concluded that it is appropriate to propose modifications to the QPCA regulations and related procedures to reflect the current electronic business operations of the payment card industry.

This is consistent with the precedent set in the electronic statement regulations issued under Code sections 6041, 6050S, and 6051 on February 18, 2004 (TD 9114; 2004–1 CB 589). In the electronic statement regulations, the IRS and Treasury Department allowed electronic furnishing of statements on Form W–2, "Wage and Tax Statement," Form 1098-T, "Tuition Payments Statement," and Form 1098-E, "Student Loan Interest Statement," to individuals who consent to receive the statements electronically. The preamble to the electronic statement regulations explains that the regulations are consistent with the general goals of (1) Section 2001 of the Internal Revenue Service Restructuring and Reform Act of 1998 (Pub. L. 105–206) to eliminate barriers, provide incentives, and use competitive forces to increase electronic

filings and (2) the Electronic Signatures in Global and National Commerce Act (Pub. L. 106–229) to facilitate voluntary use of electronic records. The electronic statement regulations aimed at striking a balance between furnishers' desires to reduce costs and modernize business processes by furnishing statements electronically and the tax administration concern that individuals have secure access to the information they need to fulfill their Federal tax obligations.

The IRS and the Treasury Department have concluded that a similar balance is appropriate in this context and that payment card organizations should be allowed to furnish notifications of payee status and participation electronically, including by posting on a secure website, if certain requirements are met to assure consistency with the Electronic Signatures in Global and National Commerce Act. These proposed regulations provide that the notifications of payee status and participation may be furnished electronically if, among other things, the payment card organization (1) Obtains certain consents from cardholder/payors and merchant/payees and (2) provides certain disclosures to cardholder/payors and merchant/payees.

#### Proposed Effective Date

Section 31.3406(g)–1(f)(3)(ii) (relating to electronic furnishing of notifications) is proposed to be effective on the date it is published as a final regulation, and the other amendments to § 31.3406(g)–1 are proposed to be applicable to payments made after December 31, 2007. The amendments to § 301.6724–1 are proposed to be applicable to information returns and information statements relating to payments made after December 31, 2007.

#### 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 has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations.

When an Agency issues a rulemaking proposal, the Regulatory Flexibility Act (RFA) (5 U.S.C. chapter 6) requires the agency to “prepare and make available for public comment an initial regulatory flexibility analysis” which will “describe the impact of the proposed rule on small entities.” (5 U.S.C. 603(a)). Section 605 of the RFA provides an exception to this requirement if the agency certifies that the proposed

rulemaking will not have a significant economic impact on a substantial number of small entities.

The proposed rule affects merchant/payees and cardholder/payors. The IRS estimates there are 5,200,000 merchant/payees and 26,054,000 cardholders/payors that qualify as small entities. Therefore, the IRS has determined that this proposed rule will have an impact on a substantial number of small entities.

The IRS has determined, however, that the impact on entities affected by the proposed rule will not be significant. The burden on a merchant/payee that opts out of the QPCA program by completing and returning a written statement to the payment card organization is minimal. The burden on cardholders/payees and merchant/payors that consent to electronic furnishing of notices by returning a consent form and confirming the consent electronically is also insignificant.

Although QPCAs have a reporting burden under the proposed rule to furnish certain notices to cardholder/payors, QPCAs are large businesses and do not fall under the definition of small entities.

Based on these facts, the IRS hereby certifies that the collection of information contained in these regulations will not have a significant economic impact on a substantial number of small entities. Accordingly, a Regulatory Flexibility Analysis is not required.

Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses. The IRS invites comments from members of the public who believe there will be a significant impact either on cardholder/payors or merchant/payees.

#### Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rules and how they may be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for November 7, 2007 at 10:00 a.m. in the auditorium, Internal Revenue Service Building, 1111 Constitution Avenue, NW., Washington, DC. Due to

building security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments must submit electronic or written comments and an outline of the topics to be discussed and the time to be devoted to each topic (a signed original and eight (8) copies) by October 9, 2007. A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

#### Drafting Information

The principal author of these regulations is Michael Hara, Office of Associate Chief Counsel (Procedure and Administration), Administrative Provisions and Judicial Practice Division.

#### 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 THE SOURCE**

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

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

**Par. 2.** Section 31.3406(g)–1(f) is amended by:

1. Revising paragraphs (f)(2)(vi)(A) and (f)(3).

## 2. Adding paragraph (f)(2)(vii).

The revisions and addition read as follows:

**§ 31.3406(g)–1 Exceptions for payments to certain payees and certain other payments.**

\* \* \* \* \*

(f) \* \* \*  
(2) \* \* \*  
(vi) \* \* \*

(A) The payee is a participating payee with respect to the payment and, at the time the QPCA makes the payment, the QPCA has obtained the payee's TIN and the payee's TIN has been validated through the IRS TIN Matching Program; or

\* \* \* \* \*

(vii) *Participating payee.* For purposes of this section, a payee is a *participating payee* with respect to a reportable payment if—

(A) At the time the QPCA makes the payment, the payee has authorized the payment card organization to act on its behalf in furnishing its name, taxpayer identification number, and corporate status to cardholder/payors under applicable procedures issued under § 601.601 of this chapter; or

(B) The payment is made before January 1, 2008.

(3) *Notifications of payee status and participation—(i) In general—(A) Nonqualified payees.* In the case of a payment to a payee other than a qualified payee (as defined in paragraph (f)(2)(vi) of this section) with respect to the payment, the QPCA acting directly or indirectly through its members, affiliates, or licensees must notify the payor that the payee is not a qualified payee. If the notification relates to a payment made after December 31, 2007, the notification must also inform the payor that IRS rules and regulations may require the payor to backup withhold on reportable payments that relate to purchases the payor makes from the payee after a specified date. The specified date to be provided in the notification is the last day of the two-month period described in paragraph (f)(1)(ii) of this section. A notification by the QPCA that a payee is not a qualified payee does not constitute notice by the IRS that the payee's TIN is incorrect for purposes of section 3406(a)(1)(B) and § 31.3406(d)–5.

(B) *Nonparticipating payees.* In the case of a payment made after December 31, 2007, to a payee other than a participating payee (as defined in paragraph (f)(2)(vii) of this section), the QPCA acting directly or indirectly through its members, affiliates, or licensees must notify the payor that the payee is not a participating payee. A notification that the payee of a payment

is not a participating payee must also inform the payor that IRS rules and regulations require the payor to solicit the payee's TIN if the payor has made a reportable payment to the payee.

(C) *Due date and format.* The notifications must be furnished during the four-month period beginning on the date on which the QPCA makes the payment. Notifications may be provided in a quarterly or other regular report of payee data to the cardholder/payor and may consist of an asterisk, footnote, or other mark next to the payee's name, with the text of the notifications at the bottom of the page or at the end of the list of payee data.

(ii) *Electronic furnishing of notifications of payee status and participation—(A) In general.* The notifications required under paragraph (f)(3)(i) of this section may be furnished in an electronic format if the requirements of this paragraph (f)(3)(ii) are satisfied.

(B) *Consents—(1) Cardholder/Payor—(i) In general.* The cardholder/payor consent requirement must be satisfied. The cardholder/payor consent requirement is satisfied only if the QPCA has provided the disclosure statement required under paragraph (f)(3)(ii)(C) of this section to the cardholder/payor and, after receiving the disclosure statement, the cardholder/payor has affirmatively consented to receive the notifications in an electronic format. The consent may be provided electronically in any manner that reasonably demonstrates that the cardholder/payor can access the notifications in the electronic format in which they will be furnished. Alternatively, the consent may be provided in a paper document if it is confirmed electronically in a manner that reasonably demonstrates that the cardholder/payor can access the notifications in the electronic format in which they will be furnished.

(ii) *Withdrawal of consent.* The cardholder/payor consent requirement is not satisfied with respect to a notification if the cardholder/payor withdraws the consent and the withdrawal takes effect before the notification is furnished. Only paper notifications may be furnished to the cardholder/payor after the withdrawal takes effect. The QPCA may provide that a withdrawal of consent takes effect at any time up to 30 days after receipt by the QPCA. The QPCA may also provide that a request for paper notifications will be treated as a withdrawal of consent.

(iii) *Change in hardware or software requirements.* If a change in the hardware or software required to access

the notifications creates a material risk that the cardholder/payor will not be able to access the notifications, the cardholder/payor consent requirement is not satisfied with respect to notifications furnished after the change unless the cardholder/payor has provided a new consent to receive the notifications in an electronic format. The new consent, whether electronic or by paper document, must be provided or confirmed in a manner that reasonably demonstrates that the cardholder/payor can access the notifications in the revised electronic format in which they will be furnished.

(2) *Merchant/payee—(i) In general.* The merchant/payee consent requirement must be satisfied. The merchant/payee consent requirement is satisfied with respect to notifications regarding a merchant/payee only if the merchant/payee has affirmatively consented to the electronic furnishing of the notifications.

(ii) *Withdrawal of consent.* The merchant/payee consent requirement is not satisfied with respect to a notification regarding a merchant/payee if the merchant/payee withdraws its consent and the withdrawal takes effect before the notification is furnished. The QPCA may provide that a withdrawal of consent takes effect at any time up to 30 days after receipt by the QPCA.

(C) *Required disclosures—(1) In general.* A QPCA requesting a cardholder/payor's consent to receive notifications in electronic format must provide to the cardholder/payor a clear and conspicuous disclosure statement containing each of the disclosures described in this paragraph (f)(3)(ii)(C).

(2) *Paper statement.* The cardholder/payor must be informed that the notifications will be furnished on paper if the cardholder/payor does not consent to receive them electronically.

(3) *Scope and duration of consent.* The cardholder/payor must be informed of the scope and duration of the consent. For example, the cardholder/payor must be informed whether the consent is for a specified term or will remain in effect until it is withdrawn in the manner described in paragraph (f)(3)(ii)(B)(1)(ii) of this section.

(4) *Post-consent request for paper notifications.* The cardholder/payor must be informed of any procedure for obtaining a paper copy of the notifications after giving the consent described in paragraph (f)(3)(ii)(B)(1)(i) of this section and whether a request for paper notifications will be treated as a withdrawal of consent.

(5) *Withdrawal of consent.* The cardholder/payor must be informed that—

(j) The cardholder/payor may withdraw a consent by writing (electronically or on paper) to the person or department whose name, mailing address, telephone number, and e-mail address is provided in the disclosure statement;

(ii) The QPCA will confirm the withdrawal and the date on which it takes effect in writing (either electronically or on paper); and

(iii) A withdrawal of consent will not apply to a notification that was furnished electronically before the date on which the withdrawal of consent takes effect.

(6) *Notice of termination.* The cardholder/payor must be informed of the conditions under which the QPCA will cease furnishing notifications electronically.

(7) *Updating information.* The cardholder/payor must be informed of the procedures for updating the information needed by the QPCA to contact the cardholder/payor. The QPCA must inform the cardholder/payor of any change in the QPCA's contact information.

(8) *Hardware and software requirements.* The cardholder/payor must be provided with a description of the hardware and software required to access, print, and retain the notifications.

(D) *Notice of availability—(1) In general.* If the notifications to a cardholder/payor are furnished on a website, the QPCA must also furnish a notice of availability to the cardholder/payor within 30 days after posting the notifications. The notice of availability must inform the cardholder/payor that the notifications are available on the website and must specify the date on which the notifications will no longer be available on the Web site. The notice of availability may be delivered by mail, electronic mail, or in person. The notice of availability must provide instructions on how to access and print the notifications and must include the following statement in capital letters, "IMPORTANT TAX DOCUMENT AVAILABLE." If the notice of availability is provided by electronic mail, the foregoing statement must be on the subject line of the electronic mail.

(2) *Undeliverable electronic address.* If an electronic notice of availability is returned as undeliverable, and the correct electronic address cannot be obtained from the furnisher's records or from the cardholder/payor, then the furnisher must furnish the notice by mail within 30 days after the electronic notice is returned.

\* \* \* \* \*

## 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. \* \* \*

**Par. 4.** Section 301.6724–1 is amended by revising paragraph (e)(1)(vi)(H) to read as follows:

### § 301.6724–1 Reasonable cause.

\* \* \* \* \*

(e) \* \* \*

(1) \* \* \*

(vi) \* \* \*

(H) In the case of information returns required to be filed, and information returns required to be furnished, after December 31, 2005, the filer—

(1) Satisfies the solicitation requirement of paragraph (e)(1)(i) of this section with respect to a payment made through a QPCA if the filer relies in good faith on the QPCA to solicit, record, validate, and furnish the payee's TIN;

(2) Satisfies the solicitation requirement of paragraph (e)(1)(ii) of this section with respect to a payment made through a QPCA if the filer relies in good faith on the QPCA to solicit, record, validate, and furnish the payee's TIN and does not receive notification that the payee is not a participating payee more than 30 days before the last day of the annual solicitation period; and

(3) Satisfies the solicitation requirement of paragraph (e)(1)(iii) of this section with respect to a payment made through a QPCA if, on or before December 31 of the year immediately succeeding the year in which the payment is made, the filer undertakes a solicitation of the payee's TIN or receives from the QPCA a TIN that the filer believes in good faith to be the payee's correct TIN.

\* \* \* \* \*

**Kevin M. Brown,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. E7–13493 Filed 7–12–07; 8:45 am]

**BILLING CODE 4830–01–P**

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Parts 51, 78 and 97

[EPA–HQ–OAR–2004–0439, FRL–8339–1]

RIN 2060–AN12

### Petition for Reconsideration and Proposal for Withdrawal of Findings of Significant Contribution and Rulemaking for Georgia for Purposes of Reducing Ozone Interstate Transport

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of extension of comment period.

**SUMMARY:** The EPA is announcing an extension of the public comment period on our proposed response to a Petition for Reconsideration regarding a final rule we issued under Section 110 of the Clean Air Act related to the interstate transport of nitrogen oxides (NO<sub>x</sub>). On June 8, 2007, EPA proposed to rescind the applicability of the requirements of the Phase II NO<sub>x</sub> State Implementation Plan (SIP) Call Rule to the State of Georgia, only. The EPA is reopening the comment period that originally ends on July 23, 2007. The extended comment period will close on August 24, 2007. The EPA is extending the comment period because of a request we received in a timely manner.

**DATES:** *Comments.* Comments must be received on or before August 24, 2007.

**ADDRESSES:** Submit your comments, identified by Docket ID No. EPA–HQ–OAR–2004–0439, by one of the following methods:

- *www.regulations.gov.* Follow the on-line instructions for submitting comments.
- *E-mail: a-and-r-docket@epamail.epa.gov.*
- *Fax:* 202–566–1741.
- *Mail:* Attention ID No. EPA–HQ–OAR–2004–0439, U.S. Environmental Protection Agency, EPA West (Air Docket), 1200 Pennsylvania Avenue, Northwest, Mailcode: 6102T, Washington, DC 20460. Please include a total of 2 copies. In addition, please mail a copy of your comments on the information collection provisions to the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Attn: Desk Officer for EPA, 725 17th St. NW., Washington DC 20503.

- *Hand Delivery:* U.S. Environmental Protection Agency, EPA West (Air Docket), 1301 Constitution Avenue, Northwest, Room 3334, Washington, DC 20004, Attention Docket ID No. EPA–