

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**Proposed Collection; Comment Request for Dividend Equivalents From Sources Within the United States, Forms 1042, 1042-S, and 1042-T**

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

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning dividend equivalents from sources within the United States, Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, and Form 1042-T, Annual Summary and Transmittal of Forms 1042-S.

**DATES:** Written comments should be received on or before July 12, 2016 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Tuawana Pinkston, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the form and instructions should be directed to Kerry Dennis, Internal Revenue Service, room 6526, 1111 Constitution Avenue NW., Washington, DC 20224, or through the internet at [Kerry.Dennis@irs.gov](mailto:Kerry.Dennis@irs.gov).

**SUPPLEMENTARY INFORMATION:**  
*Title:* REG-120282-10 (Final)/ Dividend Equivalents from Sources within the United States, Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, and Form 1042-T, Annual Summary and Transmittal of Forms 1042-T.

*OMB Number:* 1545-0096.  
*Form Numbers:* 1042, 1042-S, and 1042-T.

*Abstract:* The regulations pertain to section 871(m) regarding dividend equivalent payments that are treated as U.S. source income. These regulations provide guidance regarding when payments made pursuant to certain

financial instruments will be treated as U.S.-source income and subject to U.S. withholding tax. The information provided is necessary to permit withholding agents to determine whether U.S. withholding tax is due with respect to a payment of a dividend equivalent and the amount of the tax. The information will also be used for audit and examination purposes. Form 1042 is used by withholding agents to report tax withheld at source on payment of certain income paid to nonresident alien individuals, foreign partnerships, or foreign corporations. The IRS uses this information to verify that the correct amount of tax has been withheld and paid to the United States. Form 1042-S is used to report certain income and tax withheld information to nonresident alien payees and beneficial owners. Form 1042-T is used by withholding agents to transmit Forms 1042-S to the IRS.

*Current Actions:* There are no changes to the burden previously approved by OMB.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for profit organizations and individuals or households.

The burden estimate is as follows:

	Number of responses	Time per response	Total hours
Form 1042 .....	36,400	18.05	657,020
Form 1042-S .....	3,525,300	.58	2,044,674
Form 1042-T .....	19,500	.20	3,900
REG-120282-10 .....	30,000	8.00	240,000
	3,611,200	.....	2,945,594

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper

performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: May 5, 2016.

**Tuawana Pinkston,**

*IRS, Reports Clearance Officer.*

[FR Doc. 2016-11367 Filed 5-12-16; 8:45 am]

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**Proposed Collection; Comment Request for Regulation Project**

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

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning debt

instruments with original issue discount; contingent payments; anti-abuse rule.

**DATES:** Written comments should be received on or before July 12, 2016 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Tuawana Pinkston, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the regulation should be directed to Kerry Dennis, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW., Washington, DC 20224, or through the Internet at [Kerry.Dennis@irs.gov](mailto:Kerry.Dennis@irs.gov).

**SUPPLEMENTARY INFORMATION:**

*Title:* Debt Instruments With Original Issue Discount; Contingent Payments; Anti-Abuse Rule.

*OMB Number:* 1545–1450.

*Regulation Project Number:* TD 8674.

*Abstract:* This regulation relates to the tax treatment of debt instruments that provide for one or more contingent payments. The regulation also treats a debt instrument and a related hedge as an integrated transaction. The regulation provides general rules, definitions, and reporting and recordkeeping requirements for contingent payment debt instruments and for integrated debt instruments.

*Current Actions:* There is no change to this existing regulation.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations, individuals, and state, local, or tribal governments.

*Estimated Number of Respondents:* 180,000.

*Estimated Time per Respondent:* 30 minutes.

*Estimated Total Annual Burden Hours:* 89,000.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of

public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: May 2, 2016.

**Tuawana Pinkston,**

*IRS Reports Clearance Officer.*

[FR Doc. 2016–11364 Filed 5–12–16; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Proposed Collection; Comment Request for Regulation Project

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

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104–13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning definition of private activity bonds.

**DATES:** Written comments should be received on or before July 12, 2016 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Tuawana Pinkston, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the regulations should be directed to Allan Hopkins at Internal Revenue Service, Room 6129, 1111 Constitution Avenue NW., Washington, DC 20224, or through the Internet at [Allan.M.Hopkins@irs.gov](mailto:Allan.M.Hopkins@irs.gov).

**SUPPLEMENTARY INFORMATION:**

*Title:* Definition of Private Activity Bonds.

*OMB Number:* 1545–1451.

*Regulation Project Number:* TD 8712.

*Abstract:* Internal Revenue Code section 103 provides generally that interest on certain State or local bonds is excluded from gross income. However, under Code sections 103(b)(1) and 141, interest on private activity bonds (other than qualified bonds) is not excluded. This regulation provides rules, for purposes of Code section 141, to determine how bond proceeds are measured and used and how debt service for those bonds is paid or secured.

*Current Actions:* There is no change to this existing regulation.

*Type of Review:* Extension of currently approved collection.

*Affected Public:* State, local or tribal governments.

*Estimated Number of Respondents:* 10,100.

*Estimated Time per Respondent:* 2 hours, 50 minutes.

*Estimated Total Annual Burden Hours:* 30,100.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.