

taxpayers, as defined in section 7122(c)(3), are also exempt from payment of the offer in compromise user fee with respect to offers submitted after July 1, 2019.

Special Analyses

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. These regulations do not have a significant effect on the economy as the fees paid to request an offer in compromise are generally applied to offset existing tax obligations so no amounts are kept in excess of amounts owed to the IRS. In addition, the IRS estimates that approximately 31 percent of the offer in compromise cases closed annually are from low-income taxpayers and taxpayers making offers in compromise based on doubt as to liability. As taxpayers making these offers in compromise are not charged a fee, there is no effect on the economy. Therefore, a regulatory impact assessment is not required.

It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the information that follows. There is no significant economic impact from these regulations on any small entity required to pay a fee prescribed by these regulations to request an offer in compromise because generally the fee is applied to offset an existing tax obligation that the small entity owes the IRS. As such, the fee does not represent a payment of any amount greater than what a small entity already owes the IRS. In addition, as small entities making offers in compromise based on doubt as to liability will continue not to be charged a fee, these small entities will not be impacted economically by these regulations. Further, the economic impact of these regulations will not be on a substantial number of small entities because few small entities submit offers in compromise. In FY 2017, the IRS received a total of 52,016 processable offers, of which 3,851, or 7.4 percent, were from taxpayers with a business liability. In FY 2018, the IRS received 49,901 processable offers, of which 3,325 or 6.6 percent were from taxpayers with a business liability. Taxpayers with a business liability include all businesses, thus the number of businesses that could be classified as small businesses would be even less significant than the 7.4 percent and 6.6 percent requesting offers in compromise in FY 2017 and FY 2018, respectively.

Accordingly, this rule will not have a significant economic impact on a substantial number of small entities.

Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking preceding these final regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business. No comments were received.

Statement of Availability of IRS Documents

IRS Revenue Procedures, Revenue Rulings notices, and other guidance cited in this document are published in the Internal Revenue Bulletin (or Cumulative Bulletin) and are available from the Superintendent of Documents, U.S. Government Publishing Office, Washington, DC 20402, or by visiting the IRS website at <http://www.irs.gov>.

Drafting Information

The principal author of these regulations is Jordan L. Thomas of the Office of the Associate Chief Counsel (Procedure and Administration). Other personnel from the Treasury Department and the IRS participated in their development.

List of Subjects in 26 CFR Part 300

Reporting and recordkeeping requirements, User fees.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 300 is amended as follows:

PART 300—USER FEES

■ **Paragraph 1.** The authority citation for part 300 continues to read as follows:

Authority: 31 U.S.C. 9701.

■ **Par. 2.** Section 300.3 is amended by revising paragraphs (b)(1) and (d) to read as follows:

§ 300.3 Offer to compromise fee.

* * * * *

(b) * * *

(1) The fee for processing an offer to compromise submitted before April 27, 2020, is \$186. The fee for processing an offer to compromise submitted on or after April 27, 2020, is \$205. No fee will be charged if an offer is—

(i) Based solely on doubt as to liability as defined in § 301.7122-1(b)(1) of this chapter;

(ii) Made by a low-income taxpayer, that is, an individual whose income falls at or below the dollar criteria established by the poverty guidelines updated annually in the **Federal**

Register by the U.S. Department of Health and Human Services under authority of section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (95 Stat. 357, 511) or such other measure that is adopted by the Secretary; or

(iii) Made by a low-income taxpayer, as described in section 7122(c)(3) of the Internal Revenue Code, and submitted after July 1, 2019.

* * * * *

(d) *Applicability date.* This section is applicable beginning April 27, 2020.

Sonita Lough,

Deputy Commissioner for Services and Enforcement.

Approved: February 24, 2020.

David J. Kautter,

Assistant Secretary of the Treasury (Tax Policy).

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 591

General Licenses Issued Pursuant to Venezuela-Related Executive Order 13835

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of General Licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing three Venezuela-related general licenses in the **Federal Register**: General Licenses 5 and 5A, which have been superseded, and General License 5B, each of which was previously issued on OFAC's website.

DATES: General License 5B was issued on January 17, 2020 and the authorizations in such General License will be effective April 22, 2020.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Licensing, 202-622-2480; Assistant Director for Regulatory Affairs, 202-622-4855; or Assistant Director for Sanctions Compliance & Evaluation, 202-622-2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website (www.treasury.gov/ofac).

Background

On March 8, 2015, the President, invoking the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701–1706), issued Executive Order (E.O.) 13692 (“Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela”) (80 FR 12747, March 11, 2015) (E.O. 13692). In E.O. 13692, the President found that the situation in Venezuela, including the Government of Venezuela’s erosion of human rights guarantees, persecution of political opponents, curtailment of press freedoms, use of violence and human rights violations and abuses in response to antigovernment protests, and arbitrary arrest and detention of antigovernment protestors, as well as the exacerbating presence of significant public corruption, constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States, and declared a national emergency to deal with that threat.

The President has issued six additional Executive orders pursuant to the national emergency declared in E.O. 13692: E.O. 13808 of August 24, 2017 (“Imposing Additional Sanctions With Respect to the Situation in Venezuela”) (82 FR 41155, August 29, 2017); E.O. 13827 of March 19, 2018 (“Taking Additional Steps to Address the Situation in Venezuela”) (83 FR 12469, March 21, 2018); E.O. 13835 of May 21, 2018 (“Prohibiting Certain Additional Transactions With Respect to Venezuela”) (83 FR 24001, May 24, 2018) (E.O. 13835); E.O. 13850 of November 1, 2018 (“Blocking Property of Additional Persons Contributing to the Situation in Venezuela”) (83 FR 55243, November 2, 2018), E.O. 13857 of January 25, 2019 (“Taking Additional Steps To Address the National Emergency With Respect to Venezuela”) (84 FR 509, January 30, 2019), and E.O. 13884 of August 5, 2019 (“Blocking Property of the Government of Venezuela”) (84 FR 38843, August 7, 2019).

OFAC, in consultation with the Department of State, issued Venezuela-related General License (GL) 5 on July 19, 2018, pursuant to E.O. 13835, to authorize certain transactions related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond that were prohibited by Subsection 1(a)(iii) of E.O. 13835. On October 24, 2019, OFAC issued GL 5A, which replaced and superseded GL 5. GL 5A delayed until January 22, 2020 the effectiveness of the authorization that was previously contained in GL 5. On January 17, 2020, OFAC issued GL

5B, which replaced and superseded GL 5A. GL 5B further delayed until April 22, 2020 the effectiveness of the authorization that was previously contained in GL 5. As a result, no transactions may be conducted pursuant to GL 5B until April 22, 2020. The text of GL 5, GL 5A, and GL 5B is provided below.

Office of Foreign Assets Control

Executive Order 13835 of May 21, 2018—Prohibiting Certain Additional Transactions With Respect to Venezuela

General License No. 5

Authorizing Certain Transactions Related to the Petróleos de Venezuela SA 2020 8.5 Percent Bond

(a) Except as provided in paragraph (b) of this general license, all transactions related to, the provision of financing for, and other dealings in the Petróleos de Venezuela SA 2020 8.5 Percent Bond that would be prohibited by Subsection 1(a)(iii) of Executive Order 13835 of May 21, 2018 (“Prohibiting Certain Additional Transactions With Respect to Venezuela”) (E.O. 13835) are authorized.

(b) This general license does not authorize any transaction that is otherwise prohibited by E.O. 13835, Executive Order 13827 of March 19, 2018, Executive Order 13808 of August 24, 2017, Executive Order 13692 of March 8, 2015, or any part of 31 CFR chapter V.

Bradley T. Smith
Acting Director
Office of Foreign Assets Control
Dated: July 19, 2018

Office of Foreign Assets Control

Executive Order 13835 of May 21, 2018—Prohibiting Certain Additional Transactions With Respect to Venezuela

General License No. 5A

Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond on or After January 22, 2020

(a) Except as provided in paragraph (b) of this general license, on or after January 22, 2020, all transactions related to, the provision of financing for, and other dealings in the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond that would be prohibited by Subsection 1(a)(iii) of Executive Order (E.O.) 13835, as amended by E.O. 13857 of January 25, 2019, are authorized.

(b) This general license does not authorize any transaction that is otherwise prohibited by E.O. 13884 of August 5, 2019, or E.O. 13850 of

November 1, 2018, E.O. 13835, E.O. 13827 of March 19, 2018, E.O. 13808 of August 24, 2017, or E.O. 13692 of March 8, 2015, each as amended by E.O. 13857, or any part of 31 CFR chapter V.

(c) Effective October 24, 2019, General License No. 5, dated July 19, 2018, is replaced and superseded in its entirety by this General License No. 5A.

Andrea Gacki
Director
Office of Foreign Assets Control
Dated: October 24, 2019

Office of Foreign Assets Control

Executive Order 13835 of May 21, 2018—Prohibiting Certain Additional Transactions With Respect to Venezuela

General License No. 5B

Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond on or After April 22, 2020

(a) Except as provided in paragraph (b) of this general license, on or after April 22, 2020, all transactions related to, the provision of financing for, and other dealings in the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond that would be prohibited by Subsection 1(a)(iii) of Executive Order (E.O.) 13835, as amended by E.O. 13857 of January 25, 2019, are authorized.

(b) This general license does not authorize any transaction that is otherwise prohibited by E.O. 13884 of August 5, 2019, or E.O. 13850 of November 1, 2018, E.O. 13835, E.O. 13827 of March 19, 2018, E.O. 13808 of August 24, 2017, or E.O. 13692 of March 8, 2015, each as amended by E.O. 13857, or any part of 31 CFR chapter V.

(c) Effective January 17, 2020, General License No. 5A, dated October 24, 2019, is replaced and superseded in its entirety by this General License No. 5B.

Andrea Gacki
Director
Office of Foreign Assets Control
Dated: January 17, 2020

Dated: March 9, 2020.

Andrea Gacki,
Director, Office of Foreign Assets Control.
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