

applications to obtain or renew a PTIN and operating a call center, and charges a reasonable fee, which will be set at \$14.95 per application or renewal, in addition to the amount charged by the government. The third-party contractor was chosen through a competitive bidding process. The amount of the contractor portion may change in 2021 when the contract expires and will be re-computed.

### Special Analyses

The OMB's Office of Information and Regulatory Analysis has determined that this regulation is significant and subject to review under section 6(b) of Executive Order 12866.

Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that these proposed regulations will not have a significant economic impact on a substantial number of small entities. The proposed regulations affect all individuals who prepare or assist in preparing all or substantially all of a tax return or claim for refund for compensation. Only individuals, not businesses, can have a PTIN. Thus, the economic impact of these regulations on any small entity generally will be a result of an individual tax return preparer who is required to have a PTIN owning a small business or a small business otherwise employing an individual tax return preparer who is required to have a PTIN. The Treasury Department and the IRS estimate that approximately 800,000 individuals will apply annually for an initial or renewal PTIN. Although the final regulations will likely affect a substantial number of small entities, the economic impact on those entities is not significant. The final regulations will establish a \$21 fee per application or renewal (plus \$14.95 payable directly to the contractor), which is a reduction from the previously established fee of \$33 (plus \$17 payable directly to the contractor) per application or renewal and will not have a significant economic impact on a small entity. Accordingly, the Secretary certifies that the rule will not have a significant economic impact on a substantial number of small entities.

Pursuant to section 7805(f), this notice of proposed rulemaking has been submitted to the Chief Counsel of the Office of Advocacy of the Small Business Administration for comment on its impact on small business.

### Comments and Requests for a Public Hearing

Before these proposed amendments to the regulations are adopted as final regulations, consideration will be given to comments that are submitted timely

to the IRS as prescribed in the preamble under the **ADDRESSES** section. The Treasury Department and the IRS request comments on all aspects of the proposed regulations. Any electronic comments submitted, and to the extent practicable any paper comments submitted, will be made available at [www.regulations.gov](http://www.regulations.gov) or upon request.

A public hearing will be scheduled if requested in writing by any person who timely submits electronic or written comments. Requests for a public hearing are also encouraged to be made electronically. If a public hearing is scheduled, notice of the date and time for the public hearing will be published in the **Federal Register**. Announcement 2020-4, 2020-17 IRB 1, provides that until further notice, public hearings conducted by the IRS will be held telephonically. Any telephonic hearing will be made accessible to people with disabilities.

### Drafting Information

The principal author of these regulations is Michael A. Franklin, Office of the Associate Chief Counsel (Procedure and Administration). Other personnel from the Treasury Department and the IRS participated in the development of the regulations.

### List of Subjects in 26 CFR Part 300

Reporting and recordkeeping requirements, User fees.

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 300 is proposed to be 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 300.12 is amended by revising paragraphs (b) and (d) to read as follows:

#### § 300.12 Fee for obtaining a preparer tax identification number.

\* \* \* \* \*

(b) *Fee.* The fee to apply for or renew a preparer tax identification number is \$21 per year and is in addition to the fee charged by the contractor.

\* \* \* \* \*

(d) *Applicability date.* This section applies to applications for or renewal of a preparer tax identification number filed on or after [date that is 30 days after these regulations are published as

final regulations in the **Federal Register**].

**Sunita Lough,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2020-08055 Filed 4-15-20; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 1 and 301

[REG-132529-17]

RIN 1545-BO13

#### Computation and Reporting of Reserves for Life Insurance Companies; Correction

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

**ACTION:** Notice of proposed rulemaking; correction.

**SUMMARY:** This document contains a correction to the notice of proposed rulemaking that was published in the **Federal Register** on Thursday, April 2, 2020. The proposed regulations in the notice of proposed rulemaking provide guidance on the computation of life insurance reserves and the change in basis of computing certain reserves of insurance companies.

**DATES:** Written or electronic comments and requests for a public hearing are still being accepted and must be received by June 1, 2020. This correction is applicable on and after April 2, 2020.

**ADDRESSES:** Commenters are strongly encouraged to submit public comments electronically. Submit electronic submissions via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (indicate IRS and REG-132529-17) by following the online instructions for submitting comments. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The IRS expects to have limited personnel available to process public comments that are submitted on paper by mail. Until further notice, any comments submitted on paper will be considered to the extent practicable. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comment submitted electronically, and to the extent practicable on paper, to its public docket.

Send paper submissions to:  
CC:PA:LPD:PR (REG-132529-17), Room

5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

**FOR FURTHER INFORMATION CONTACT:** Dan Phillips, (202) 317-6995 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The proposed regulations in the notice of proposed rulemaking, which is the subject of this correction, were issued primarily under section 807 of the Internal Revenue Code.

**Need for Correction**

As published, the notice of proposed rulemaking (REG-132529-17) contains an error that needs to be corrected.

**Correction of Publication**

Accordingly, the notice of proposed rulemaking (REG-132529-17) that is the subject of FR Doc. 2020-05701, published on April 2, 2020 (85 FR 18496), is corrected as follows:

On page 18504, in the third column, the second paragraph is deleted in its entirety.

**Martin V. Franks,**

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

[FR Doc. 2020-07562 Filed 4-15-20; 8:45 am]

**BILLING CODE 4830-01-P**

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**POSTAL REGULATORY COMMISSION**

**39 CFR Part 3050**

[Docket No. RM2020-7; Order No. 5478]

**Periodic Reporting**

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Commission is acknowledging a recent filing requesting the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports (Proposal Two). This document informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* May 22, 2020.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6820.

**SUPPLEMENTARY INFORMATION:**

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**I. Introduction**

On April 7, 2020, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports.<sup>1</sup> The Petition identifies the proposed analytical changes filed in this docket as Proposal Two.

**II. Proposal Two**

*Background.* The Postal Service currently calculates unit delivery costs by rate category to provide insight into the nature of those costs at a detailed level. Petition, Proposal Two at 1. A review of those costs revealed large differences between the street time unit delivery costs for flats in Flats Sequencing System (FSS) and non-FSS zones. *Id.* This gap was surprising because it did not exist for the marginal times on which the costs were based. *Id.* The Postal Service states that upon investigation, it uncovered the source of the discrepancy between relative costs and volumes: Volume proportions from the City Carrier Street Time Study (CCSTS) data collected in FY 2013, and used in the established model, do not match the current volume proportions. *Id.* at 2.

The shift in volume proportions has implications for calculated unit delivery costs because city carrier street time variabilities depend upon the volumes used to calculate them. *Id.* Failure to account for volume changes can lead to the calculation of inappropriate variabilities. *Id.* The Postal Service states that if a particular type of mail experiences a volume decline and the current variability calculation does not account for that decline, the volume variable cost for this type of mail will be higher than it should be, leading to

<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), April 7, 2020 (Petition). The Petition was accompanied by a study supporting its proposal. See Professor Michael D. Bradley *A Methodology for Updating the City Carrier Regular Delivery Variabilities*, April 7, 2020 (Bradley Report). The Postal Service also filed a notice of filing of public and non-public materials relating to Proposal Two. Notice of Filing of USPS-RM2020-7-1 and USPS-RM2020-7-NP1 and Application for Nonpublic Treatment, April 7, 2020.

high calculated unit costs. *Id.* at 2-3. The Postal Service explains that “[c]hanges in the relative volumes of letter and flat mail create the need for a process of updating the regular delivery activity cost pools.” *Id.* at 3.

*Proposal.* Proposal Two would “introduce a methodology for updating the delivery time variabilities for city carrier regular delivery time, so that they reflect changes in relative volumes.”<sup>2</sup> City carrier delivery activity cost pools are found by multiplying city carrier street time variabilities by accrued regular delivery time. *Id.* at 4. Each street time variability has three parts: The marginal time for the type of mail, the volume for the type of mail, and the total regular delivery time. *Id.* Any of the three parts can change when volume changes. *Id.* In updating variability, the approach underlying Proposal Two “allows for responses in all three parts due to a volume change.” *Id.*

The Postal Service states that while the mean volumes used to calculate regular delivery time elasticities are typically calculated directly from the FY 2013 CCSTS data, to facilitate an update of the calculated variabilities, it is possible to “derive the mean volumes as proportions of the total average letter and flat delivered volume.” *Id.* The Postal Service clarifies that letter and flat delivered volume is the sum of the volumes of four components (mail shapes) for which delivery variabilities are calculated: delivery point sequence (DPS) mail, cased mail, FSS mail, and sequenced mail. *Id.* at 3-5. Consequently, the average volume for any component can be calculated “by multiplying the component’s proportion of total letter and flat delivery volume by the overall average volume.” *Id.* at 4. The Postal Service asserts that its proposed version of the mean formulation “makes it easy to update the regular delivery time variabilities using more recent volume means . . . [which are] . . . calculated by forming the needed volume proportions with the more recent data, here the FY 2019 [City Carrier Cost System] volumes.”<sup>3</sup> The Postal Service states that “the proposed new methodology would be applied again each year to achieve annual updates.” *Id.* at 1.

<sup>2</sup> *Id.* at 1. A “full discussion of the research supporting the proposal” is provided in the Bradley Report, attached to the Petition electronically as a separate PDF file. See *id.* at 3.

<sup>3</sup> *Id.* at 5 (footnote omitted). In a footnote, the Postal Service explains that the regular delivery time equation includes volumes from customers’ receptacles, but that it lacks recent data that would permit it to update that volume. *Id.* n.1.