no later than August 15, 2009. Skipped payments will be tacked on at the end of the installment payment period. Because the installment agreement pertains to prior year tax liabilities, interest and penalties will continue to accrue. H and W may, however, be entitled to abatement of the failure to pay penalties incurred during the postpone-
ment period upon establishing reasonable cause.

(g) Effective/applicability date. This section applies to disasters declared after January 15, 2009.


§ 301.7510–1 Exemption from tax of domestic goods purchased for the United States.

For any regulations under section 7510, see the applicable regulations with respect to the various taxes.

§ 301.7512–1 Separate accounting for certain collected taxes.

(a) Scope. The provisions of section 7512 and this section apply to—

(1) The following taxes imposed by subtitle C of the Code in respect of wages or compensation paid after February 11, 1958, for pay periods beginning after such date:

(i) The employee tax imposed by section 3101 of chapter 21 (Federal Insurance Contributions Act),

(ii) The employee tax imposed by section 3201 of chapter 22 (Railroad Retirement Tax Act), and

(iii) The income tax required to be withheld on wages by section 3402 of chapter 24 (Collection of Income Tax at Source on Wages); and

(2) The following taxes imposed by chapter 33 of the Code in respect of tax-
able payments made, except as otherwise specifically provided in this subparagraph, after February 11, 1958:

(i) The taxes imposed by section 4231 (1), (2), and (3) on amounts paid for ad-
missions, and the tax imposed by section 4231(6) on amounts paid for admis-
sion, refreshment, service, or merchandise, at any roof garden, cabaret, or
other similar place, to the extent that such tax on amounts paid on or after
January 1, 1958, is required to be col-
lected by the proprietor of the roof gar-
den, cabaret, or similar place from a con-
cessionaire in such establishment,

(ii) The taxes imposed by section 4241
on amounts paid as club dues.

(iii) The taxes imposed by section
4251 on amounts paid for communi-
cations services or facilities,

(iv) The tax imposed by section 4261
on amounts paid for transportation of
persons and the tax imposed by section
4271 on amounts paid before August 1,
1958, for the transportation of property,
and

(v) The tax imposed by section 4286
on amounts collected for the use of safe
deposit boxes.

(b) Requirement. If the district direc-
tor determines that any person re-
quired to collect, account for, and pay
over any tax described in paragraph (a)
of this section has, at the time and in
the manner prescribed by law or regu-
lations, failed to collect, truthfully ac-
count for, or pay over any such tax, or
make deposits, payments, or returns of
any such tax, such person, if notified to
do so by the district director in accord-
ance with section 7512 and paragraph
(d) of this section, shall—

(1) Collect, at the times and in the
manner provided by the law and the
regulations in respect of the various
taxes described in paragraph (a) of this
section, all of the taxes described in
such paragraph which become collect-
ible by him after receipt of such notice;

(2) Deposit the taxes so collected, not
later than the end of the second bank-
ing day after collection, with a bank,
as defined in section 581, in a separate
account established in accordance with
paragraph (c) of this section; and

(3) Keep in such account the taxes so
deposited until payment thereof is
made to the United States as required
by the law and the regulations in re-
spect of such taxes.

The separate accounting requirements
contained in subparagraphs (1), (2), and
(3) of this paragraph (b), are applicable,
in the case of the taxes described in para-
graph (a)(1) of this section, to taxes with respect to wages or com-
pensation paid after receipt of the no-
tice from the district director, irre-
pective of whether such wages or com-
pensation was earned prior to or after
receipt of the notice; and, in the case of the
taxes described in paragraph (a)(2)
of this section, to taxes with respect to
taxable payments made after receipt of
the notice from the district director, irrespective of whether the transactions with respect to which such payments were made occurred prior to or after receipt of the notice.

(c) Trust fund account. The separate bank account referred to in paragraph (b) of this section shall be established under the designation, "(Name of person required to establish account), Trustee, Special Fund in Trust for U.S. under section 7512, I.R.C.)." The taxes deposited in such account shall constitute a fund in trust for the United States payable only to the Internal Revenue Service on demand by the trustee.

(d) Notice. Notice to any person requiring his compliance with the provisions of section 7512(b) and this section shall be in writing and shall be delivered in hand to such person by an internal revenue officer or employee. In the case of a trade or business carried on other than as a sole proprietorship, such as a corporation, partnership, or trust, notice delivered in hand to an officer, partner, or trustee shall be deemed to be notice delivered in hand to such corporation, partnership, or trust and to all officers, partners, trustees, and employees thereof.

(e) Cancellation of notice. The district director may relieve a person to whom notice requiring separate accounting has been given pursuant to section 7512 and this section from further compliance with such separate accounting requirements whenever he is satisfied that such person will comply with all requirements of the Code and the regulations applicable, in respect of the taxes to which the notice relates, in the case of persons not required to comply with the provisions of section 7512(b). Notice of cancellation of the requirement for separate accounting shall be made in writing and shall take effect at such time as is specified in the notice of cancellation.

(f) Penalties. For criminal penalty for failure to comply with any provision of section 7512, see section 7215. For criminal penalties for failure to file return, supply information, or pay tax, for failure to collect or pay over tax, and for attempt to evade or defeat tax, see sections 7203, 7202, and 7201, respectively.

§ 301.7513–1 Reproduction of returns and other documents.

(a) In general. The Commissioner, district directors, and other authorized officers and employees of the Internal Revenue Service may contract with any Federal agency or any person to have such agency or person process films and other photoimpressions of any return, statement, document, or of any card, record, or other matter, and make reproductions from such films and photoimpressions.

(b) Safeguards—(1) By private contractor. Any person entering into a contract with the Internal Revenue Service for the performance of any of the services described in paragraph (a) of this section shall agree to comply, and to assume responsibility for compliance by his employees, with the following requirements:

(i) The films or photoimpressions, and reproductions made therefrom, shall be used only for the purpose of carrying out the provisions of the contract, and information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract;

(ii) All the services shall be performed under the supervision of the person with whom the contract is made or his responsible employees;

(iii) All material received for processing and all processed and reproduced material shall be kept in a locked and fireproof compartment in a secure place when not being worked upon;

(iv) All spoilage of reproductions made from the film or photoimpressions supplied to the contractor shall be destroyed, and a statement under the penalties of perjury shall be submitted to the Internal Revenue Service that such destruction has been accomplished; and

(v) All film, photoimpressions, and reproductions made therefrom, shall be transmitted to the Internal Revenue Service by personal delivery, first-class mail, parcel post, or express.

(2) By Federal agency. Any Federal agency entering into a contract with the Internal Revenue Service for the performance of any services described in paragraph (a) of this section, shall