$90,000 are ineligible for the exclusion. For single taxpayers and heads of households, the exclusion is gradually decreased for such incomes between $40,000 and $55,000. Single taxpayers with such incomes above $55,000 are ineligible for the exclusion. After 1990, these income limits will be adjusted for inflation.

(ii) Married taxpayers must file a joint return in order to qualify for the exclusion. Married taxpayers filing separate returns will not qualify for the exclusion, regardless of their modified adjusted gross incomes.

(b) The taxpayer is responsible for maintaining adequate records of bond redemption transactions to support claims for the exclusion, in accordance with applicable rules and regulations of the Internal Revenue Service.

(c) At the end of the retention period, the definitive security must be presented to the agent in order to receive payment. An agent is prohibited from accepting an image, or other copy or reproduction of the definitive security, for redemption or processing. To ensure that all transactions processed by agents are properly validated, agents must establish and comply with a retention period for definitive securities that are truncated and converted to an electronic image. At a minimum, the agent must retain such definitive securities for a period of thirty calendar days following the date that the agent submitted the electronic image of the paid security to a Federal Reserve Processing Site. Agents may establish longer retention periods for definitive securities at their discretion.

(a) Example: if the agent paid the presentee of a security on May 7, 2012, and submitted the security’s electronic image to a Federal Reserve Processing Site on May 11, 2012, then the retention requirements would obligate the agent to retain the definitive security, at a minimum, until June 10, 2012.

(b) During the specified retention period, agents must store the securities under suitably secured conditions that safeguard customer information. Specifically, the securities must be stored in a secured location with physical, procedural, and systemic controls in place to ensure that access to the securities is restricted to authorized personnel and that the securities are protected from loss, theft, destruction, and unauthorized or inadvertent viewing.

(c) At the end of the retention period, agents must destroy the securities in a manner that safeguards customer information. Specifically, securities must be destroyed by burning, mulching, pulping, pulverizing, or shredding beyond recognition and reconstruction.

The regulations of this part are issued to implement 5 U.S.C. 552(a)(2) and (3). The requirements of 5 U.S.C. 552(a)(1) are met through the publication in the Federal Register of the statement of the organization, functions and procedures available of the Fiscal Service, including the Bureau of the Fiscal Service, and revisions thereof, and through the publication therein of substantive and procedural regulations of the Bureau. A synopsis of the statements of Bureau organization, functions and procedures available will be published annually by the Office of the Federal Register in the U.S. Government Organization Manual.

§ 323.1 Purpose of regulations.

Fiscal Service, Treasury

§ 323.4 Requests for identifiable records.

(a) Procedure. (1) A written request for an identifiable record relating to a U.S. savings bond or note shall be addressed to the Deputy Commissioner, Bureau of the Fiscal Service, Chicago, IL 60605.

(2) A request for an identifiable record relating to any Treasury Department security, other than a savings bond or note, or a security of a Government agency or a wholly or partially Government-owned corporation, the record of which is maintained by the Bureau of the Fiscal Service, shall be addressed to the Chief, Division of Loans and Currency, Bureau of the Fiscal Service, Washington, DC 20226.

(3) A request for an identifiable record relating to any security of a Government agency or wholly or partially Government-owned corporation, the record for which is maintained by the Federal Reserve Bank of New York, shall be addressed to the Federal Reserve Bank of New York, New York, NY 10045.

(4) A written request for any identifiable record that the Bureau of the Fiscal Service has other than those set out in paragraphs (a) (1), (2), and (3) of this section shall be addressed to the

(1) Final opinions or orders made in the adjudication of cases. Any issued by the Bureau of the Fiscal Service would be in the form of letters or memorandums setting out determinations made in disposing of any matter before the Bureau.

(2) Statements of policy and interpretations which have been adopted by the Bureau but not published in the Federal Register.

(3) Administrative staff manuals and instructions to the staff that affect any member of the public. Some Federal Reserve Bank memorandums and Fiscal Service memorandums will be made available under this provision.

(b) Location. The materials listed in paragraph (a) of this section are available for inspection and copy during office hours in the Public Reading Room of the Treasury Department, 15th Street and Pennsylvania Avenue NW., Washington, DC 20220.