

	Percent
For economics injury: Businesses and small agricultural cooperatives without credit available elsewhere	4.000

The number assigned to this disaster for physical damage is 280111 and for economic injury the number is 860200.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: July 28, 1995.

Philip Lader,

Administration.

[FR Doc. 95-19320 Filed 8-4-95; 8:45 am]

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[Declaration of Disaster Loan Area #2793]

Virginia; Declaration of Disaster Loan Area (Amendment #1)

The above-numbered Declaration is hereby amended, in accordance with notices from the Federal Emergency Management Agency dated July 10 and 12, 1995, to include the City of Bedford and Amherst, Bedford, and Franklin Counties in the Commonwealth of Virginia as a disaster area due to damages caused by severe storms and flooding beginning on June 22, 1995 and continuing.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Floyd and Patrick in the Commonwealth of Virginia may be filed until the specified date at the previously designated location.

Any counties contiguous to the above-named primary counties and not listed herein have been previously declared.

All other information remains the same, i.e., the termination date for filing applications for physical damage is August 29, 1995, and for loans for economic injury the deadline is April 3, 1996.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: July 27, 1995.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 95-19321 Filed 8-4-95; 8:45 am]

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SOCIAL SECURITY ADMINISTRATION

Social Security Ruling SSR 95-3p.; Title II: Transactions Involving Noncash Transfers for Agricultural Labor

AGENCY: Social Security Administration.

ACTION: Notice of Social Security Ruling.

SUMMARY: In accordance with 20 CFR 422.406(b)(1), the Commissioner of Social Security gives notice of Social Security Ruling 95-3p. This Policy Interpretation Ruling explains when certain transactions involving noncash transfers for agricultural labor may be considered wages under Section 209(a) of the Social Security Act. The Internal Revenue Service (IRS) issued guidelines for evaluating whether such transactions are, in economic reality, payments in cash and therefore wages for purposes of the Federal Insurance Contributions Act tax. Since the Social Security Administration (SSA) does not have such guidelines, these transactions have not been treated by SSA as wage payments for Social Security coverage and annual earnings test purposes. The purpose of this Ruling is to achieve consistent treatment between SSA and the IRS of transactions involving noncash transfers for agricultural labor.

EFFECTIVE DATE: August 7, 1995.

FOR FURTHER INFORMATION CONTACT:

Joanne K. Castello, Division of Regulations and Rulings, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (410) 965-1711.

SUPPLEMENTARY INFORMATION: Although we are not required to do so pursuant to 5 U.S.C. 552(a)(1) and (a)(2), we are publishing this Social Security Ruling in accordance with 20 CFR 422.406(b)(1).

Social Security Rulings make available to the public precedential decisions relating to the Federal old-age, survivors, disability, supplemental security income, and black lung benefits programs. Social Security Rulings may be based on case decisions made at all administrative levels of adjudication, Federal court decisions, Commissioner's decisions, opinions of the Office of the General Counsel, and other policy interpretations of the law and regulations.

Although Social Security Rulings do not have the force and effect of the law or regulations, they are binding on all components of the Social Security Administration, in accordance with 20 CFR 422.406(b)(1), and are to be relied upon as precedents in adjudicating other cases.

If this Social Security Ruling is later superseded, modified, or rescinded, we will publish a notice in the **Federal Register** to that effect.

(Catalog of Federal Domestic Assistance, Program Nos. 96.001 Social Security—Disability Insurance; 96.002 Social Security—Retirement Insurance; 96.004

Social Security—Survivors Insurance; 96.005 Special Benefits for Disabled Coal Miners)

Dated: July 27, 1995.

Shirley S. Chater,

Commissioner of Social Security.

Policy Interpretation Ruling—Title II: Transactions Involving Noncash Transfers for Agricultural Labor

Purpose: This Ruling explains when certain transactions involving noncash transfers for agricultural labor may be considered wages under section 209(a) of the Social Security Act. The purpose of this Ruling is to provide that the treatment afforded by the Social Security Administration (SSA) of such transactions will be the same as the treatment afforded by the Internal Revenue Service (IRS).

Citation (Authority): Sections 209(a), 210(f), and 210(j)(2) of the Social Security Act (the Act); Regulations No. 4, sections 404.1005, 404.1007, 404.1010, 404.1016, 404.1017, 404.1041(e), 404.1055, 404.1056, 404.1068(c), and 404.1074.

Background: Section 209(a)(7)(A) of the Act and section 3121(a)(8)(A) of the Internal Revenue Code (IRC) provide that, for purposes of Social Security coverage and Federal Insurance Contributions Act (FICA) taxation, respectively, the term "wages" does not include "remuneration paid in any medium other than cash for agricultural labor" (as defined in section 210(f) of the Act and section 3121(g) of the IRC). Any medium other than cash (generally referred to as "in-kind" payments) includes, for example, lodging, food, clothing, or agricultural commodities. Some farmers have attempted to use commodity payments as remuneration for agricultural services to avoid paying FICA tax. This practice can prevent farm workers from accumulating the quarters of coverage needed to qualify for Social Security benefits. However, the IRS clarified in Revenue Ruling 79-207 and in subsequent guidelines that a transfer of an in-kind item which is immediately converted to cash is, in economic reality, a payment in cash not subject to the wage exclusion. The effect of the ruling is that certain transactions involving in-kind transfers for agricultural labor have been considered cash payments and therefore wages subject to tax under FICA. SSA policy has been not to treat such in-kind transfers as wages under the Act when evaluating them for Social Security coverage purposes.

To achieve consistent treatment between SSA and the IRS of transactions involving in-kind transfers for agricultural labor, SSA is adopting