

## DEPARTMENT OF THE TREASURY

## Internal Revenue Service

## 26 CFR Part 31

[TD 8946]

RIN 1545-AY47

**Federal Employment Tax Deposits—De Minimis Rule**

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

**ACTION:** Final regulations and removal of temporary regulations.

**SUMMARY:** This document contains final regulations relating to the deposit of Federal employment taxes. The final regulations adopt the rules of the temporary regulations that change the de minimis deposit rule for quarterly and annual periods from \$1,000 to \$2,500. The regulations affect taxpayers required to make deposits of Federal employment taxes.

**DATES: Effective Date:** These regulations are effective May 23, 2001.

**Applicability Date:** For dates of applicability, see § 31.6302-1(f)(4).

**FOR FURTHER INFORMATION CONTACT:** Brinton T. Warren, (202) 622-4940 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:****Background**

This document contains amendments to 26 CFR part 31, Employment Taxes and Collection of Income Tax at the Source. On December 6, 2000, temporary and final regulations (TD 8909) relating to the deposit of Federal employment taxes under section 6302 of the Internal Revenue Code were published in the **Federal Register** (65 FR 76152). A notice of proposed rulemaking (REG-114423-00) cross-referencing the temporary regulations was published in the **Federal Register** for the same day (65 FR 76194). No comments were received from the public in response to the notice of proposed rulemaking.

**Explanation of Provisions**

These final regulations adopt the rules of the temporary regulations. Under these rules, a taxpayer does not have to make deposits of Federal employment taxes for a quarterly or annual return period if the tax for the period is less than \$2,500 and the taxpayer remits its full liability with a timely filed return for the period. The regulations are applicable with respect to quarterly and annual periods beginning on or after January 1, 2001.

**Special Analyses**

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and, because these regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

**Drafting Information**

The principal author of the regulations is Brinton T. Warren of the Office of Associate Chief Counsel, Procedure and Administration (Administrative Provisions and Judicial Practice Division). However, other personnel from the IRS and Treasury Department participated in their development.

**List of Subjects in 26 CFR Part 31**

Employment taxes, Income taxes, Penalties, Pensions, Railroad retirement, Reporting and recordkeeping requirements, Social security, Unemployment compensation.

**Adoption of Amendments to the Regulations**

Accordingly, 26 CFR part 31 is amended as follows:

**PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE**

**Paragraph 1.** The authority citation for part 31 is amended by removing the entry for Section 31.6302-1T to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

**Par. 2.** In § 31.6302-1, paragraph (f)(4) is revised to read as follows:

**§ 31.6302-1 Federal tax deposit rules for withheld income taxes and taxes under the Federal Insurance Contributions Act (FICA) attributable to payments made after December 31, 1992.**

\* \* \* \* \*

(f) \* \* \*

(4) *De Minimis rule.* For quarterly and annual return periods beginning on or after January 1, 2001, if the total amount of accumulated employment taxes for the return period is less than \$2,500 and

the amount is fully deposited or remitted with a timely filed return for the return period, the amount deposited or remitted will be deemed to have been timely deposited.

\* \* \* \* \*

**§ 31.6302-1T [Removed]**

**Par. 3.** Section 31.6302-1T is removed.

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

Approved: May 10, 2001.

**Mark A. Weinberger,**

*Assistant Secretary for Tax Policy.*

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**BILLING CODE 4830-01-P**

## DEPARTMENT OF TRANSPORTATION

## Coast Guard

## 33 CFR Parts 100 and 165

[USCG-2001-9668]

**Safety Zones, Security Zones, and Special Local Regulations**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of temporary rules issued.

**SUMMARY:** This document provides required notice of substantive rules adopted by the Coast Guard and temporarily effective between January 1, 2001 and March 31, 2001 which were not published in the **Federal Register**. This quarterly notice lists temporary local regulations, security zones, and safety zones of limited duration and for which timely publication in the **Federal Register** was not possible.

**DATES:** This notice lists temporary Coast Guard regulations that became effective and were terminated between January 1, 2001 and March 31, 2001. This notice also lists three regulations that were effective and terminated between September and December, 2000.

**ADDRESSES:** The Docket Management Facility maintains the public docket for this notice. Documents indicated in this notice will be available for inspection or copying at the Docket Management Facility, U.S. Department of Transportation, Room PL-401, 400 Seventh Street SW., Washington, DC 20593-0001 between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays. You may electronically access the public docket for this notice on the Internet at <http://dms.dot.gov>.

**FOR FURTHER INFORMATION CONTACT:** For questions on this notice, contact Christena Green, Office of Regulations