

DEPARTMENT OF THE TREASURY**Internal Revenue Service****Publication of the Tier 2 Tax Rates****ACTION:** Notice.

SUMMARY: Publication of the tier 2 tax rates for calendar year 2005 as required by section 3241(d) of the Internal Revenue Code (26 U.S.C. 3241). Tier 2 taxes on railroad employees, employers, and employee representatives (a group unique to the railroad industry) fund a

private pension benefit of the railroad retirement system.

DATES: The tier 2 tax rates for calendar year 2005 apply to compensation paid in calendar year 2005.

FOR FURTHER INFORMATION CONTACT:

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Tier 2 Tax Rates: The tier 2 tax rate for 2005 under § 3201(b) on employees

is 4.4 percent of compensation. The tier 2 tax rate for 2005 under § 3221(b) on employers is 12.6 percent of compensation. The tier 2 tax rate for 2005 under § 3211(b) on employee representatives is 12.6 percent of compensation.

Dated: December 1, 2004.

Nancy Marks,

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(Tax Exempt and Government Entities).*

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