

Mr. Orval M. Adam
Vice President and
Tax Counsel
Santa Fe Industries, Inc.
224 South Michigan Avenue
Chicago, Illinois 60604

FEB 1 1980

180-34

Dear Mr. Adam:

This is in response to your letter of January 25, 1980, in which you inquire as to what, if any, reporting requirements to the Railroad Retirement Board may be made necessary if The Atchison, Topeka and Santa Fe Railway Company were to file claims with the Internal Revenue Service for refunds of certain taxes paid under the Railroad Retirement Tax Act for the years 1969 through 1974. The claims for refunds would result from assigning compensation for certain employees, for railroad retirement tax purposes, to the months in which the compensation was paid rather than the months when it was earned. Taxes under the Railroad Retirement Tax Act for the years in question have been paid based upon compensation being allocated to the months when it was earned rather than the months when it was paid.

Please be advised that amending the reports of compensation for the years in question for tax purposes will have no effect on the reports of service and compensation filed with the Board in those years. Any tax refunds received by the Santa Fe or any of its employees as a result of such a claim for refund will have no effect on railroad retirement benefits presently being received by those employees, or those which they may receive in the future.

Mr. Orval M. Adam

In this regard, please note that Public Law 94-93, which you cited in your letter and which would constitute the basis of the contemplated claims for refund, had no effect on the reporting of service and compensation under the Railroad Retirement and Railroad Unemployment Insurance Acts. Consequently, not only would the amendment of reports of compensation for purposes of the Railroad Retirement Tax Act for the years in question have no effect on reports of service and compensation already filed with the Railroad Retirement Board for the years in question, as stated above, but no change should be made in the future in regard to reporting service and compensation to the Board for purposes of the Railroad Retirement and Railroad Unemployment Insurance Acts. Such service and compensation should continue to be reported for the month when earned, even if payment is made in a subsequent month.

I trust that the above information will be of assistance to you.

Very truly yours,

Dale C. Zimmerman
General Counsel

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