

Public Law 96-167
96th Congress

An Act

To continue through May 31, 1981, the existing prohibition on the issuance of fringe benefit regulations, and for other purposes.

Dec. 29, 1979
[H.R. 5224]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION OF ISSUANCE OF FRINGE BENEFIT REGULATIONS.

Section 1 of the Act entitled "An Act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes", approved October 7, 1978 (Public Law 95-427), is amended by striking out "December 31, 1979" each place it appears and inserting in lieu thereof "May 31, 1981".

Fringe benefit regulations, prohibition.

SEC. 2. COMMUTING EXPENSES.

Section 2 of the Act entitled "An Act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes", approved October 7, 1978 (Public Law 95-427), is amended by striking out "December 31, 1979" and inserting in lieu thereof "May 31, 1981".

26 USC 61 note.

SEC. 3. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

(a) **GENERAL RULE.**—Subsection (a) of section 604 of the Tax Reform Act of 1976 (relating to State legislators' travel expenses away from home) is amended—

26 USC 62 note.

(1) by striking out "who elects the application" and inserting in lieu thereof "who, for the taxable year, elects the application", and

(2) by striking out "January 1, 1978" and inserting in lieu thereof "January 1, 1981".

(b) **TECHNICAL AMENDMENT.**—Effective for taxable years beginning after December 31, 1977, subsection (d) of section 604 of the Tax Reform Act of 1976 is amended by striking out the last sentence.

26 USC 162 note.

SEC. 4. PAYMENT OF INTEREST WHERE LEVY HAS BEEN WRONGFULLY MADE AND MONEY RECEIVED BY UNITED STATES.

(a) **IN GENERAL.**—Section 6343 of the Internal Revenue Code of 1954 (relating to release of levy and return of property) is amended by adding at the end thereof the following new subsection:

26 USC 6343.

"(c) **INTEREST.**—Interest shall be allowed and paid at an annual rate established under section 6621—

26 USC 6621.

"(1) in a case described in subsection (b)(2), from the date the Secretary receives the money to a date (to be determined by the Secretary) preceding the date of return by not more than 30 days, or

"(2) in a case described in subsection (b)(3), from the date of the sale of the property to a date (to be determined by the Secretary) preceding the date of return by not more than 30 days."

(b) **TECHNICAL AMENDMENT.**—Subsection (a) of section 6621 of such Code is amended to read as follows:

“(a) IN GENERAL.—The annual rate established under this section shall be such adjusted rate as is established by the Secretary under subsection (b).”

(c) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to levies made after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 5. REPEAL OF REQUIREMENT THAT TRANSFERORS OF CERTAIN PROPERTY TO EXEMPT ORGANIZATIONS MUST FILE RETURNS.

(a) GENERAL RULE.—Section 6050 of the Internal Revenue Code of 1954 (relating to returns relating to certain transfers to exempt organizations) is hereby repealed.

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by striking out the item relating to section 6050.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

SEC. 6. REPEAL OF ADDITION TO TAX IN CASE OF JEOPARDY.

(a) GENERAL RULE.—Section 6658 of the Internal Revenue Code of 1954 (relating to addition to tax in case of jeopardy) is hereby repealed.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 68 of such Code is amended by striking out the item relating to section 6658.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations (or attempted violations) occurring after the date of the enactment of this Act.

SEC. 7. REPEAL OF REQUIREMENTS THAT INFORMATION BE FURNISHED TO THE SERVICE IN CONNECTION WITH CERTAIN OPTIONS.

(a) GENERAL RULE.—Section 6039 of the Internal Revenue Code of 1954 (relating to information required in connection with certain options) is amended to read as follows:

“SEC. 6039. INFORMATION REQUIRED IN CONNECTION WITH CERTAIN OPTIONS.

Regulations.

“(a) FURNISHING OF INFORMATION.—Every corporation—

“(1) which in any calendar year transfers a share of stock to any person pursuant to such person's exercise of a qualified stock option or a restricted stock option, or

“(2) which in any calendar year records (or has by its agent recorded) a transfer of the legal title of a share of stock—

“(A) acquired by the transfer or pursuant to his exercise of an option described in section 423(c) (relating to special rule where option price is between 85 percent and 100 percent of value of stock), or

“(B) acquired by the transferor pursuant to his exercise of a restricted stock option described in section 424(c)(1) (relating to options under which option price is between 85 percent and 95 percent of value of stock),

shall (on or before January 31 of the following calendar year) furnish to such person a written statement in such manner and setting forth such information as the Secretary may by regulations prescribe.

“(b) SPECIAL RULES.—For purposes of this section—

26 USC 423.

26 USC 424.

26 USC 6343
note.

26 USC 6621
note.

26 USC 6050.

26 USC 6041.

26 USC 6050
note.

26 USC 6658.

26 USC 6651.

Effective date.
26 USC 6658
note.

26 USC 6039.

“(1) TREATMENT BY EMPLOYER TO BE DETERMINATIVE.—Any option which the corporation treats as a qualified stock option, a restricted stock option, or an option granted under an employee stock purchase plan shall be deemed to be such an option.

“(2) SUBSECTION (a) (2) APPLIES ONLY TO FIRST TRANSFER DESCRIBED THEREIN.—A statement is required by reason of a transfer described in subsection (a)(2) of a share only with respect to the first transfer of such share by the person who exercised the option.

“(3) IDENTIFICATION OF STOCK.—Any corporation which transfers any share of stock pursuant to the exercise of any option described in subsection (a)(2) shall identify such stock in a manner adequate to carry out the purposes of this section.

“(c) CROSS REFERENCES.—

“For definition of—

- “(1) The term ‘qualified stock option’, see section 422(b).
- “(2) The term ‘employee stock purchase plan’, see section 423(b).
- “(3) The term ‘restricted stock option’, see section 424(b).”

“(b) TECHNICAL AMENDMENTS.—

- (1) Subsection (a) of section 6652 of such Code is amended—

26 USC 6652.

- (A) by inserting “or” at the end of paragraph (1),
- (B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2), and

- (C) by striking out “return referred to in paragraph (2) or (3)” and inserting in lieu thereof “return referred to in paragraph (2)’.

(2) Section 6678 of such Code (relating to penalty for failure to furnish certain statements) is amended to read as follows:

26 USC 6678.

“SEC. 6678. FAILURE TO FURNISH CERTAIN STATEMENTS.

“In the case of each failure—

“(1) to furnish a statement under section 6042(c), 6044(e), 6049(c), or 6052(b), on the date prescribed therefor to a person with respect to whom a return has been made under section 6042(a)(1), 6044(a)(1), 6049(a)(1), or 6052(a), respectively, or

26 USC 6042.

26 USC 6044.

26 USC 6049.

26 USC 6052.

“(2) to furnish a statement under section 6039(a) on the date prescribed therefor to a person with respect to whom such a statement is required,

26 USC 6039.

unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (upon notice and demand by the Secretary and in the same manner as tax) by the person failing to so furnish the statement \$10 for each such statement not so furnished, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed \$25,000.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to calendar years beginning after 1979.

Effective date.
26 USC 6678
note.

SEC. 8. EXTENSION OF TIME FOR FILING GIFT TAX RETURN FOR FOURTH CALENDAR QUARTER.

(a) **GENERAL RULE.**—Paragraph (1) of section 6075(b) of the Internal Revenue Code of 1954 (relating to due date for gift tax returns) is amended to read as follows:

26 USC 6075.

“(1) **GENERAL RULE.**—Except as provided in paragraph (2), returns made under section 6019 (relating to gift taxes) shall be filed on or before—

26 USC 6019.

“(A) in the case of a return for the first, second, or third calendar quarter of any calendar year, the 15th day of the second month following the close of the calendar quarter, or

“(B) in the case of a return for the fourth calendar quarter of any calendar year, the 15th day of the fourth month following the close of the calendar quarter.”

(b) EXTENSION OF DATE FOR FILING INCOME TAX RETURN TREATED AS EXTENSION OF DATE FOR FILING GIFT TAX RETURN.—Subsection (b) of section 6075 of such Code is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

(3) EXTENSION WHERE TAXPAYER GRANTED EXTENSION FOR FILING INCOME TAX RETURN.—Any extension of time granted the taxpayer for filing the return of income taxes imposed by subtitle A for any taxable year which is a calendar year shall be deemed to be also an extension of time granted the taxpayer for filing the return under section 6019 for the fourth calendar quarter of such taxable year.”

(c) TECHNICAL AMENDMENTS.—Paragraph (2) of section 6075(b) of such Code is amended—

(1) by striking out “the 15th day of the second month after” and inserting in lieu thereof “the date prescribed by paragraph (1) for filing the return for”, and

(2) by striking out “the close of” in subparagraphs (A) and (B).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns for gifts made in calendar years ending after the date of the enactment of this Act.

SEC. 9. EXTENSION OF CERTAIN TEMPORARY TAX PROVISIONS.

(a) GOVERNMENT HEALTH PROFESSIONS SCHOLARSHIP PROGRAMS.—Subsection (c) of section 4 of Public Law 93-483, as amended, is amended—

(1) by striking out “1980” and inserting in lieu thereof “1981”, and

(2) by striking out “1984” and inserting in lieu thereof “1985”.

(b) NATIONAL RESEARCH SERVICE AWARDS.—Paragraph (2) of section 161(b) of the Revenue Act of 1978 (relating to national research service awards) is amended by striking out “1979” and inserting in lieu thereof “1980”.

(c) DEDUCTION FOR ELIMINATING ARCHITECTURAL AND TRANSPORTATION BARRIERS TO THE HANDICAPPED.—Subsection (c) of section 2122 of the Tax Reform Act of 1976 (relating to effective date for allowance of deduction for eliminating architectural and transportation barriers to the handicapped) is amended by striking out “January 1, 1980” and inserting in lieu thereof “January 1, 1983”.

(d) CONTROVERSIES INVOLVING WHETHER INDIVIDUALS ARE EMPLOYEES FOR PURPOSES OF THE EMPLOYMENT TAXES.—

(1) IN GENERAL.—Subsection (a) of section 530 of the Revenue Act of 1978 (relating to termination of certain employment tax liability for periods before 1980) is amended—

(A) by striking out “January 1, 1980” in paragraphs (1)(A) and (3) and inserting in lieu thereof “January 1, 1981”,

(B) by striking out “1980” in the subsection heading and inserting in lieu thereof “1981”, and

(C) by striking out “1979” in the heading for paragraph (3) and inserting in lieu thereof “1979 and 1980”.

(2) PROHIBITION AGAINST REGULATIONS AND RULINGS ON EMPLOYMENT STATUS.—Subsection (b) of section 530 of the Revenue Act of 1978 is amended by striking out “January 1, 1980” and inserting in lieu thereof “January 1, 1981”.

26 USC 6075.

26 USC 6019.

26 USC 6075.

Effective date.
26 USC 6075
note.

26 USC 117 note.

92 Stat. 2810.
26 USC 117 note.

26 USC 190 note.

92 Stat. 2885.
26 USC 3401
note.

(e) ADDITIONAL 2-YEAR DELAY IN APPLICATION OF THE NET OPERATING LOSS RULES ADDED BY THE TAX REFORM ACT OF 1976.— Paragraphs (2) and (3) of section 806(g) of the Tax Reform Act of 1976 (relating to effective dates for the amendments to sections 382 and 383 of the Internal Revenue Code of 1954) are amended by striking out "1980" each place it appears and inserting in lieu thereof "1982".

26 USC 1 note.
26 USC 382 note.
26 USC 382.
26 USC 383.

Approved December 29, 1979.

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LEGISLATIVE HISTORY:

HOUSE REPORT No. 96-448 (Comm. on Ways and Means).

SENATE REPORT No. 96-433 (Comm. on Finance).

CONGRESSIONAL RECORD, Vol. 125 (1979):

Oct. 9, considered and passed House.

Dec. 7, considered and passed Senate, amended.

Dec. 19, House concurred in Senate amendment with an amendment.

Dec. 20, Senate concurred in House amendment.