

§ 57.6302-1

§ 57.6302-1 Method of paying the health insurance providers fee.

(a) *Fee to be paid by electronic funds transfer.* Under the authority of section 6302(a), the fee imposed on covered entities engaged in the business of providing health insurance for United States health risks under section 9010 and § 57.4 must be paid by electronic funds transfer as defined in § 31.6302-1(h)(4)(i) of this chapter, as if the fee were a depository tax. For the time for paying the fee, see § 57.7.

(b) *Effective/Applicability date.* This section applies with respect to any fee that is due on or after September 30, 2014.

PART 58—STOCK REPURCHASE EXCISE TAX

Subpart A [Reserved]

Subpart B—Procedure and Administration

Sec.

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- 58.6695-1 Other assessable penalties with respect to the preparation of tax returns or claims for refund for other persons.
- 58.6696-1 Claims for credit or refund by tax return preparers

AUTHORITY: 26 U.S.C. 4501(f) and 7805.

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Section 58.6695-1 also issued under 26 U.S.C. 6695;

Section 58.6696-1 also issued under 26 U.S.C. 6696.

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Subpart A [Reserved]

Subpart B—Procedure and Administration

§ 58.6001-1 Notice or regulations requiring records, statements, and special returns.

(a) *In general.* Any covered corporation (as defined in section 4501(b) of the Internal Revenue Code (Code)), or any person treated as a covered corporation (as described in section 4501(d)(1)(A) or (d)(2)(A)), that makes a repurchase (as defined in section 4501(c)(1)), or that is treated as making a repurchase under section 4501(c)(2)(A), (d)(1)(B), or (d)(2)(B), must keep such complete and detailed records as are sufficient to establish accurately the amount of repurchases, adjustments, or exceptions required to be shown by the covered corporation or person treated as a covered corporation in any stock repurchase excise tax return (as defined in § 58.6011-1(b)).

(b) *Notice by IRS requiring returns, statements, or the keeping of records.* The Internal Revenue Service (IRS) may require any covered corporation or person treated as a covered corporation, by notice served upon such corporation or person, to make such returns, render such statements, or keep such specific records as will enable the IRS to determine whether or not such corporation or person is liable for tax under chapter 37 of the Code.

(c) *Retention of records.* The records required by this section must be kept at all times available for inspection by

the IRS and must be retained for so long as the contents thereof may become material in the administration of any internal revenue law.

(d) *Applicability date.* This section applies to repurchases, adjustments, or exceptions required to be shown in any stock repurchase excise tax return required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6011-1 General requirement of return, statement, or list.

(a) *In general.* Any covered corporation (as defined in section 4501(b) of the Internal Revenue Code (Code)), or any person treated as a covered corporation (as described in section 4501(d)(1)(A) or (d)(2)(A)), other than a regulated investment company (as defined in section 851 of the Code) or a real estate investment trust (as defined in section 856(a) of the Code), that makes a repurchase (as defined in section 4501(c)(1)), or that is treated as making a repurchase under section 4501(c)(2)(A), (d)(1)(B), or (d)(2)(B), after December 31, 2022, must file a stock repurchase excise tax return with respect to any taxable year in which the covered corporation or person treated as a covered corporation makes a repurchase or is treated as making a repurchase under section 4501(c)(2)(A), (d)(1)(B), or (d)(2)(B).

(b) *Stock Repurchase Excise Tax Return.* For purposes of this part, the term *stock repurchase excise tax return* means the Form 720, *Quarterly Federal Excise Tax Return*, due for the first full calendar quarter after the end of the covered corporation's taxable year, with an attached Form 7208, *Excise Tax on Repurchase of Corporate Stock*, or any other forms, schedules, or statements prescribed by the Commissioner for the purpose of making a return to report the tax under chapter 37 of the Code.

(c) [Reserved]

(d) *Applicability date.* This section applies to stock repurchase excise tax returns required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6060-1 Reporting requirements for tax return preparers.

(a) *In general.* A person that engages or employs one or more signing tax return preparers (as defined in § 301.7701-15(b)(1) of this chapter) to prepare a stock repurchase excise tax return (as defined in § 58.6011-1(b)) or claim for refund of tax under chapter 37 of the Internal Revenue Code, other than for the person, at any time during a return period, must satisfy the recordkeeping and inspection requirements in the manner stated in § 1.6060-1 of this chapter.

(b) *Applicability date.* This section applies to stock repurchase excise tax returns and claims for refund required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6061-1 Signing of returns and other documents.

(a) *In general.* Any stock repurchase excise tax return (as defined in § 58.6011-1(b)), statement, or other document required to be made with respect to the tax imposed by chapter 37 of the Internal Revenue Code must be signed by the person required to file the return, statement, or other document, or by the persons required or duly authorized to sign in accordance with the regulations, forms, or instructions prescribed with respect to such return, statement, or document. An individual's signature on such a return, statement, or other document is prima facie evidence that the individual is authorized to sign the return, statement, or other document.

(b) *Applicability date.* This section applies to stock repurchase excise tax returns, statements, or other documents that are required to be made with respect to the tax imposed by chapter 37 and required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6065-1 Verification of returns.

(a) *In general.* If either a stock repurchase excise tax return (as defined in § 58.6011-1(b)), statement, or other document made with respect to any tax imposed by chapter 37 of the Internal Revenue Code, or the related form and instructions, requires that such return,

statement, or other document contain or be verified by a written declaration that it is made under the penalties of perjury, then it must be so verified by the person or persons required to sign such return, statement, or other document. In addition, any other statement or document submitted under any provision of chapter 37, subtitle F, or regulations under this part with respect to any tax imposed by chapter 37 may be required to contain or be verified by a written declaration that it is made under the penalties of perjury.

(b) *Applicability date.* This section applies to stock repurchase excise tax returns, statements, or other documents that are required to be made with respect to the tax imposed by chapter 37 and required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6071-1 Time for filing returns.

(a) *In general.* Except as provided in paragraph (c) of this section, a stock repurchase excise tax return required by § 58.6011-1(a) must be filed by the due date of the Form 720, *Quarterly Federal Excise Tax Return*, that is for the first full calendar quarter after the end of the taxable year of the covered corporation (as defined in section 4501(b) of the Internal Revenue Code (Code)), or person treated as a covered corporation (as described in section 4501(d)(1)(A) or (d)(2)(A)).

(b) *Example.* Corporation X is a covered corporation with a taxable year that ends on December 31. During its 2024 taxable year, Corporation X makes a repurchase within the meaning of section 4501(c)(1). Because Corporation X's taxable year ends in the fourth quarter of the calendar year, Corporation X must file a stock repurchase excise tax return reporting liability for the tax imposed by chapter 37 of the Code by the due date for a first-quarter Form 720 (that is, April 30, 2025).

(c) *Taxable years ending on or before June 28, 2024.* With respect to a covered corporation, or person treated as a covered corporation, with a taxable year ending after December 31, 2022, and on or before June 28, 2024, the stock repurchase excise tax return required by § 58.6011-1(a) for such taxable year must be filed by the due date of the Form 720

for the first full calendar quarter after June 28, 2024. If a covered corporation, or person treated as a covered corporation, has more than one taxable year ending after December 31, 2022, and on or before June 28, 2024, the covered corporation, or person treated as a covered corporation, should file a single Form 720 with two separate Forms 7208, *Excise Tax on Repurchase of Corporate Stock* (one for each taxable year) attached.

(d) *Example.* Corporation Y is a covered corporation with a taxable year ending December 31, 2023. During its 2023 taxable year, Corporation Y makes a repurchase within the meaning of section 4501(c)(1). Corporation Y is required to file the stock repurchase excise tax return for its 2023 taxable year by the due date of the Form 720 for the first full calendar quarter after June 28, 2024. The due date for the Form 720 for the first full calendar quarter after June 28, 2024 (that is, the third quarter Form 720), is October 31, 2024.

(e) *Applicability date.* This section applies to stock repurchase excise tax returns required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6091-1 Place for filing tax returns under chapter 37 of the Internal Revenue Code.

(a) *In general.* Except as provided in paragraphs (b) and (c) of this section, stock repurchase excise tax returns required by § 58.6011-1(a) must be filed in accordance with the instructions applicable to such returns.

(b) *Hand-carried returns.* Notwithstanding paragraph (a) of this section, stock repurchase excise tax returns that are filed by hand carrying must be filed with any person assigned the responsibility to receive hand-carried returns in the local Internal Revenue Service (IRS) office that serves the principal place of business, principal office, or agency of the taxpayer.

(c) *Exceptional cases.* Notwithstanding paragraph (a) of this section, the Commissioner may permit the filing of any stock repurchase excise tax return in any local IRS office.

(d) *Applicability date.* This section applies to stock repurchase excise tax returns required to be filed after June 28,

2024, and during taxable years ending after June 28, 2024.

§ 58.6107-1 Tax return preparer must furnish copy of return or claim for refund to taxpayer and must retain a copy or record.

(a) *In general.* A person who is a signing tax return preparer (as defined in § 301.7701-15(b)(1) of this chapter) of any stock repurchase excise tax return required by § 58.6011-1(a) or claim for refund of tax under chapter 37 of the Internal Revenue Code must furnish a completed copy of the stock repurchase excise tax return or claim for refund to the taxpayer and retain a completed copy or record in the manner stated in § 1.6107-1 of this chapter.

(b) *Applicability date.* This section applies to stock repurchase excise tax returns and claims for refund required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6109-1 Tax return preparers furnishing identifying numbers for returns or claims for refund.

(a) *In general.* Each stock repurchase excise tax return required by § 58.6011-1(a) or claim for refund of tax under chapter 37 of the Internal Revenue Code prepared by one or more signing tax return preparers (as defined in § 301.7701-15(b)(1) of this chapter) must include the identifying number of the preparer required by § 1.6695-1(b) of this chapter to sign the stock repurchase excise tax return or claim for refund in the manner stated in § 1.6109-2 of this chapter.

(b) *Applicability date.* This section applies to stock repurchase excise tax returns and claims for refund required to be filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6151-1 Time and place for paying of tax shown on returns.

(a) *In general.* The tax shown on any stock repurchase excise tax return required by § 58.6011-1(a) must, without assessment or notice and demand, be paid to the Internal Revenue Service at the time and place for filing such stock repurchase excise tax return. For provisions relating to the time and place

for filing the stock repurchase excise tax return required under § 58.6011-1(a), see §§ 58.6071-1 and 58.6091-1.

(b) *Applicability date.* This section applies to payments of stock repurchase excise tax required to be paid after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6694-1 Section 6694 penalties.

(a) *Penalties applicable to tax return preparer.* For general definitions regarding penalties under section 6694 of the Internal Revenue Code (Code) applicable to preparers of tax returns or claims for refund of tax under chapter 37 of the Code, see § 1.6694-1 of this chapter.

(b) *Penalties for understatement due to an unreasonable position.* A person who is a tax return preparer of any return or claim for refund of tax under chapter 37 may be subject to penalties under section 6694(a) in the manner stated in § 1.6694-2 of this chapter.

(c) *Penalties for understatement due to willful, reckless, or intentional conduct.* A person who is a tax return preparer of any return or claim for refund of tax under chapter 37 may be subject to penalties under section 6694(b) in the manner stated in § 1.6694-3 of this chapter.

(d) *Extension of period of collection when tax return preparer pays 15 percent of a penalty for understatement of taxpayer's liability and certain other procedural matters.* The rules under § 1.6694-4 of this chapter, relating to the extension of period of collection when a tax return preparer who prepared a return or claim for refund of tax pays 15 percent of a penalty for understatement of taxpayer's liability and to procedural matters regarding the investigation, assessment, and collection of the penalties under sections 6694(a) and (b), apply to a tax return preparer who prepared a return or claim for refund for tax under chapter 37.

(e) *Applicability date.* This section applies to returns and claims for refund filed, and advice provided, after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6695-1 Other assessable penalties with respect to the preparation of tax returns or claims for refund for other persons.

(a) *In general.* A person who is a tax return preparer of any return or claim for refund of tax under chapter 37 of the Internal Revenue Code (Code) may be subject to penalties for failure to furnish a copy to the taxpayer under section 6695(a) of the Code, failure to sign the return under section 6695(b), failure to furnish an identifying number under section 6695(c), failure to retain a copy or list under section 6695(d), failure to file a correct information return under section 6695(e), and endorsement or negotiation of a check under section 6695(f), in the manner stated in § 1.6695-1 of this chapter.

(b) *Applicability date.* This section applies to returns and claims for refund filed after June 28, 2024, and during taxable years ending after June 28, 2024.

§ 58.6696-1 Claims for credit or refund by tax return preparers.

(a) *In general.* The rules under § 1.6696-1 of this chapter apply to claims for credit or refund by a tax return preparer who prepared a return or claim for credit or refund for tax under chapter 37 of the Internal Revenue Code.

(b) *Applicability date.* This section applies to returns and claims for credit or refund filed, and advice provided, after June 28, 2024, and during taxable years ending after June 28, 2024.

PART 141—TEMPORARY EXCISE TAX REGULATIONS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

§ 141.4975-13 Definition of “amount involved” and “correction”.

Until superseded by permanent regulations under sections 4975(f) (4) and (5), § 53.4941(e)-1 of this chapter (Foundation Excise Tax Regulations) will be controlling to the extent such regulations describe terms appearing both in section 4941(e) and section 4975(f). Because of the need for immediate guidance with respect to the provisions contained in this Treasury decision, it is found impracticable to issue it with

notice and public procedure thereon under subsection (b) of section 553 of title 5 of the United States Code or subject to the effective date limitation of subsection (d) of that section.

(Sec. 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805))

[T.D. 7425, 41 FR 32890, Aug. 6, 1976, as amended by T.D. 8084, 51 FR 16305, May 2, 1986]

PART 143—TEMPORARY EXCISE TAX REGULATIONS UNDER THE TAX REFORM ACT OF 1969

Sec.

143.1 [Reserved]

143.2 Taxes on self-dealing; scholarship and fellowship grants by private foundations.

143.3-143.4 [Reserved]

143.5 Taxes on self-dealing; indirect transactions by a private foundation.

143.6 Election to shorten the period during which certain excess business holdings of private foundations are treated as permitted holdings.

AUTHORITY: Sec. 7805, 68A Stat. 917; 26 U.S.C. 7805.

§ 143.1 [Reserved]

§ 143.2 Taxes on self-dealing; scholarship and fellowship grants by private foundations.

(a) *In general.* Section 4941(d)(1)(D) of the Internal Revenue Code of 1954 as added by section 101(b) of the Tax Reform Act of 1969 (83 Stat. 500) provides that the term “self-dealing” includes any direct or indirect payment of compensation (or payment or reimbursement of expenses) by a private foundation to a disqualified person. Section 4941(d)(1)(E) provides that the term “self-dealing” includes any direct or indirect transfer to, or use by, or for the benefit of, a disqualified person of the income or assets of a private foundation.

(b) *Scholarship and fellowship grants.* A scholarship or fellowship grant to a person other than a Government official paid or incurred by a private foundation in accordance with a program which is consistent with the allowance of a deduction under section 170 for contributions made to such private foundation shall not constitute an act