(Secs. 204(a), 401, and 416 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 754, 771; 49 U.S.C. 1324, 1371, 1386)

By the Civil Aeronautics Board:

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-14505; Filed, Dec. 3, 1968; 8:50 a.m.]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter V—Federal Water Pollution Control Administration, Department of the Interior

PART 620—WATER QUALITY STANDARDS

Adoption, Identification, and Availability of State Standards

Pursuant to the authority of section 10(c) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 466g(c), the Secrteary of the Interior hereby determines that the water quality standards adopted by the States listed, and contained in the documents identified in section 620.10, except as otherwise indicated, are consistent with paragraph (3) of section 10(c) of the Federal Water Pollution Control Act, as amended, and are such standards as protect the public health or welfare, enhance the quality of water and serve the purposes of the Federal Act; such standards shall hereafter be the standards applicable to the interstate waters for which adopted.

The documents containing such standards are incorporated herein and made a part hereof.

Section 620.10 is amended by adding the following:

TERRITORY OF GUAM

Water quality standards established by the Territory of Guam on December 18, 1967, for interstate waters subject to its jurisdiction and which are contained in the document entitled "Standards of Water Quality for Waters of the Territory of Guam, December, 1967", and which were revised on April 15, 1968, and which are contained as revised, in the document entitled "Standards of Water Quality for Waters of the Territory of Guam, April, 1968".

MAINE

Water quality standards established by Maine on July 5, 1967, for interstate waters subject to its jurisdiction, and which are contained in the following documents:

"Saco River Basin Water Quality Standards";

"Sagadahoc County Tidal Basin Water Quality Standards";

"St. Croix River Basin Water Quality Standards";

"Lincoln County Tidal Basin Water Quality Standards";

"Androscoggin River Water Quality Standards";

"Cumberland County Tidal Basin Water Quality Standards";

"Salmon Falls and Piscataqua River Basin Water Quality Standards";

"Aroostook River Basin Water Quality Standards";

"Meduxnekeag River Basin Water Quality Standards";

"Knox County Tidal Waters Water Quality Standards";

"York County Tidal Basin Water Quality Standards";

"Waldo, Penobscot and Hancock County Tidal Waters Water Quality Standards";

"Washington County Tidal Waters Water Quality Standards";

"Prestile Stream Water Quality Standards";

"State of Maine Material for Implementation Plan Common to All Interstate River and Tidal Waters Water Quality Standards";

all of which as amended; and except for Hancock County interstate waters; and except for pH, temperature and radioactivity criteria for all interstate waters other than those classified as Class "A"; and except for bacteriological criteria for Classes "C", "D", "SC", and "SD"; and except for dissolved oxygen criteria for all fresh waters.

MINNESOTA

Water quality standards established by Minnesota on May 8, 1967, for interstate waters subject to its jurisdiction, and which are contained in the document entitled "Water Quality Standards for the Interstate Waters of Minnesota, June, 1967", as amended; except for the St. Louis River; and except for the criteria of dissolved oxygen of 3 mg/l for interstate waters other than waters which are the subject of recommendations following the conferences on the Red River of the North (September 14–15, 1965) and the Upper Mississippi River (February 7–8, 1964) called pursuant to section 10(d) of the Federal Water Pollution Control Act, as amended; and except for the maximum temperature limit of 93° F. for July and August.

NEVADA

Water quality standards established by Nevada on June 27, 1967, for interstate waters subject to its jurisdiction, and which are contained in the documents entitled "Water Pollution Control Regulations (Exhibit 'A')" and "Interstate Water Quality Standards and Plan of Implementation, 1967".

NEW MEXICO

Water quality standards established by New Mexico on June 6, 1967, for interstate waters subject to its jurisdiction, and which are contained in the following documents:

"The Rio Grande River in New Mexico, Water Quality Standards, June 1967";

"The San Juan, La Plata, and Animas Rivers in New Mexico, Water Quality Standards, June 1967"; except for dissolved oxygen criteria for Navajo Reservoir;

"The Pecos River in New Mexico, Water Quality Standards, June 1967"; except for the temperature change limit for the lower reach of the Pecos River;

"The Gila and San Francisco Rivers in New Mexico, Water Quality Standards, June 1967";

"The Canadian River in New Mexico, Water Quality Standards, June 1967";

And a water quality standards plan of enforcement and implementation established on June 20, 1967, which are contained in the document entitled "Implementation and Enforcement Plan for Water Quality Control in New Mexico, June 1967";

And amendments adopted on March 4, 1968, and contained in the document entitled "Amendments to the Water Quality Standards, March 1968".

VERMONT

Water quality standards established by Vermont on June 15, 1967, for interstate waters subject to its jurisdiction, and which are contained in the document entitled "Plan for Implementation and Water Quality Criteria (Public Law 89-234) Vermont Water Resources Board, June 1967," as amended; except for lower Connecticut River (Wilder Dam to Massachusetts State line), Walloomsac River, and the segment of Battan Kill classified as "C" (Richville Road Bridge to Tanner Brook); and except for dissolved oxygen criteria for all interstate waters classified for Class "C"; and except for dissolved oxygen and temperature change criteria for interstate waters classified for coldwater fish propagation.

(Sec. 1, 70 Stat. 506, as amended; 33 U.S.C. 466i)

Dated: November 26, 1968.

DAVID S. BLACK,
Acting Secretary of the Interior.

NOTE: Incorporation by reference provisions in these regulations approved by the Director of the Federal Register on December 3, 1968.

[F.R. Doc. 68-14474; Filed, Dec. 3, 1968; 8:47 a.m.]

Title 20—EMPLOYEES' BENEFITS

Chapter III—Social Security Administration, Department of Health, Education, and Welfare

[Regs. No. 4, further amended]

PART 404—FEDERAL RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE (1950____)

Subpart D—Old-Age, Disability, Dependents' and Survivors' Insurance Benefits; Period of Disability

MISCELLANEOUS AMENDMENTS

Regulations No. 4 of the Social Security Administration, as amended (20 CFR 404.1 et seq.), are further amended to read as follows:

1. In § 404.323, subparagraphs (1), (3), (4), and (5) of paragraph (a) are amended and new paragraph (c) is added to read as follows:

§ 404.323 Child's insurance benefits: time at which child must be dependent upon parent.

(a) *Months after August 1958.* For months after August 1958, the dependency requirement must be met:

(1) If the parent is living, at the time the application for child's insurance benefits is filed, subject to the limitations in subparagraphs (4), (5), and (6) of this paragraph; or

* * * * *

(3) Subject to the limitations in subparagraph (5) of this paragraph, if the parent had a period of disability which continued until he became entitled to disability or old-age insurance benefits (or, if he had died, until the month of his death), at the beginning of such period of disability, or at the time he became entitled to such benefits.

(4) With respect to applications for child's insurance benefits filed before July 30, 1965, if the parent is entitled

to disability insurance benefits, dependency of the child may not be established at the time specified in subparagraph (1) of this paragraph unless such child:

(i) Is the natural child or stepchild of such parent (including a natural child or stepchild of such parent who was legally adopted by such parent); or

(ii) Was legally adopted by such parent before the end of the 24-month period beginning with the month after the month in which the parent most recently became entitled to disability insurance benefits, and (*a*) proceedings for such adoption had been instituted by the parent in or before the month in which such parent's period of disability began, and such period of disability still existed at the time of such adoption, or (*b*) such adopted child was living with such parent in the month in which such period of disability began.

(5) Effective with applications for child's insurance benefits filed on or after July 30, 1965, if the parent is entitled to disability insurance benefits, or is entitled to old-age insurance benefits and was entitled to disability insurance benefits for the month preceding the first month for which he was entitled to old-age insurance benefits, and the child had been adopted by such parent after he became entitled to the disability insurance benefits, such child shall be deemed not to meet the dependency requirements at the times specified in subparagraphs (1) and (3) of this paragraph unless such child:

(i) Is the natural child or stepchild of such parent (including a natural child or stepchild who was legally adopted by such parent), or

(ii) Was legally adopted by such parent before the end of the 24-month period beginning with the month after the month in which such parent most recently became entitled to disability insurance benefits, provided (*a*) the proceedings for the adoption of the child had been instituted by such parent in or before the month in which such parent's period of disability began, and such period of disability still existed at the time of adoption (or, if such child was adopted by the parent after he attained age 65, such period of disability existed in the month before the month in which he attained age 65), or (*b*) such adopted child was living with such parent in the month in which the period of disability began; or

(iii) For benefits for months after January 1968, but only on the basis of an application for child's insurance benefits filed after January 2, 1968, was legally adopted by such parent at any time after he became entitled to disability insurance benefits, and provided that such adoption (*a*) took place under the supervision of a public or private child-placement agency as defined in paragraph (c) of this section, and (*b*) was decreed by a court of competent jurisdiction within the United States and immediately preceding the date of the adoption such parent had continuously resided for not less than 1 year in the United States, and (*c*) took place at a time prior to such child's attainment of age 18.

* * * * *

(c) *Adoption under the supervision of a public or private child-placement agency.* (1) *Public child-placement agency.* For the purposes of paragraph (a)(5)(iii) of this section, the term "public child-placement agency" means any governmental agency authorized by a State (including the District of Columbia and the Commonwealth of Puerto Rico), or local governmental agency or component of either to place children in a private home for adoption. The term does not include a court; it also does not include a court investigator, juvenile officer, probation officer, or other governmental official or agency appointed solely for the purpose of conducting an investigation for the court in an adoption proceeding unless such governmental official or agency has the authority to place children in private homes for adoption.

(2) *Private child-placement agency.* For the purposes of paragraph (a)(5)(iii) of this section, the term "private child-placement agency" means any individual, corporation, organization, or institution licensed or approved by a State or local governmental agency or component of either to place children in a private home for adoption. The term does not include any other individual, corporation, organization, or institution undertaking an investigation or appointed by a court in an adoption proceeding unless such individual or entity is authorized to place children in a private home for adoption.

(3) *Supervision by a child-placement agency.* For purposes of paragraph (a)(5)(iii) of this section, the term "supervision of a public or private child-placement agency" means that such agency as defined in subparagraphs (1) and (2) of this paragraph, prior to the final decree of adoption, was significantly involved in the adoption by making an investigation to determine the suitability of the adopting parent and the eligibility of the child for adoption, or by issuing a report of such suitability and eligibility, or by making recommendations to the court having jurisdiction of the adoption proceedings.

2. *Effective date.* The foregoing regulations shall become effective upon publication in the FEDERAL REGISTER.

(Secs. 202, 205, 1102, 49 Stat. 623, as amended, 53 Stat. 1368, as amended, 49 Stat. 647, as amended, section 5 of Reorganization Plan No. 1 of 1953, 67 Stat. 18, 631; 42 U.S.C. 402(d), 405, and 1302)

Dated: November 11, 1968.

[SEAL] ROBERT M. BALL,
Commissioner of Social Security.

Approved: November 27, 1968.

WILBUR J. COHEN,
Secretary of Health, Education, and Welfare.

[F.R. Doc. 68-145; Filed, Dec. 3, 1968; 8:51 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

[T.D. 6983]

SUBCHAPTER C—EMPLOYMENT TAXES

PART 31—EMPLOYMENT TAXES; APPLICABLE ON AND AFTER JANUARY 1, 1955

SUBCHAPTER F—PROCEDURE AND ADMINISTRATION

PART 301—PROCEDURE AND ADMINISTRATION

Regulations Relating to the Federal Insurance Contributions Act

In order to conform the Employment Tax Regulations (26 CFR Part 31) to sections 108(b) (2) to (6), inclusive, 109 (a) (2) and (3), 109(b) (2) and (3), and 403(i) of the Social Security Amendments of 1967 (81 Stat. 821), to sections 107, 111(c) (5) and (6), 311(b) (4) and (5), 316, 317 (b) to (f), inclusive, 320(b) (2) to (6), inclusive, and 321 (b) and (c) of the Social Security Amendments of 1965 (79 Stat. 286), and to section 103 (r) (2), (3), and (4) of the Social Security Amendments of 1960 (74 Stat. 940), and in order to conform the Regulations on Procedure and Administration (26 CFR Part 301) to section 108(b) (5) and (6) of the Social Security Amendments of 1967 (81 Stat. 821) and to sections 107, 317 (d) to (g), inclusive, and 320(b) (5) and (6) of the Social Security Amendments of 1965 (79 Stat. 286) relating to the taxes under the Federal Insurance Contributions Act, such regulations are amended as follows:

PARAGRAPH 1. Section 31.0–2 is amended by adding new subdivisions (vi) and (vii) to paragraph (a)(5) and by revising subparagraphs (3) and (4) of paragraph (b). These added and amended provisions read as follows:

§ 31.0–2 General definitions and use of terms.

(a) *In general.* * * *

(5) * * *

(vi) The Social Security Amendments of 1965 means the act approved July 30, 1965 (79 Stat. 286).

(vii) The Social Security Amendments of 1967 means the act approved January 2, 1968 (81 Stat. 821).

* * * * *

(b) *Subpart B.* * * *

(3) Employee tax means the tax (with respect to wages received by an employee after Dec. 31, 1965, the taxes) imposed by section 3101 of the Code.

(4) Employer tax means the tax (with respect to wages paid by an employer after Dec. 31, 1965, the taxes) imposed by section 3111 of the Code.

PAR. 2. Section 31.3101 is amended by revising section 3101 and the historical note to read as follows:

§ 31.3101 Statutory provisions; rate of tax.

Sec. 3101. *Rate of tax*—(a) *Old-age, survivors, and disability insurance.* In addition

to other taxes, there is hereby imposed on the income of every individual a tax equal to the following percentages of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b))—

(1) With respect to wages received during the calendar year 1968, the rate shall be 3.8 percent;

(2) With respect to wages received during the calendar years 1969 and 1970, the rate shall be 4.2 percent;

(3) With respect to wages received during the calendar years 1971 and 1972, the rate shall be 4.6 percent; and

(4) With respect to wages received after December 31, 1972, the rate shall be 5 percent.

(b) *Hospital insurance.* In addition to the tax imposed by the preceding subsection, there is hereby imposed on the income of every individual a tax equal to the following percentages of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b))—

(1) With respect to wages received during the calendar years 1968, 1969, 1970, 1971, and 1972, the rate shall be 0.60 percent;

(2) With respect to wages received during the calendar years 1973, 1974, and 1975, the rate shall be 0.65 percent;

(3) With respect to wages received during the calendar years 1976, 1977, 1978, and 1979, the rate shall be 0.70 percent;

(4) With respect to wages received during the calendar years 1980, 1981, 1982, 1983, 1984, 1985, and 1986, the rate shall be 0.80 percent; and

(5) With respect to wages received after December 31, 1986, the rate shall be 0.90 percent.

[Sec. 3101 as amended by sec. 208(b), Social Security Amendments 1954; sec. 202(b), Social Security Amendments 1956; sec. 401(b), Social Security Amendments 1958; sec. 201(b), Social Security Amendments 1961; secs. 111(c)(5) and 321(b), Social Security Amendments 1965; sec. 109(a)(2) and (b)(2), Social Security Amendments 1967]

PAR. 3. Section 31.3101–2 is amended to read as follows:

§ 31.3101–2 Rates and computation of employee tax.

(a) *Old-age, survivors, and disability insurance.* The rates of employee tax for old-age, survivors, and disability insurance with respect to wages received in calendar years after 1954 are as follows:

Calendar years	Percent
1955 and 1956	2
1957 and 1958	2.25
1959	2.5
1960 and 1961	3
1962	3.125
1963 to 1965, both inclusive	3.625
1966	3.85
1967	3.9
1968	3.8
1969 and 1970	4.2
1971 and 1972	4.6
1973 and subsequent calendar years	5.0

(b) *Hospital insurance.* The rates of employee tax for hospital insurance with respect to wages received in calendar years after 1965 are as follows:

Calendar years	Percent
1966	0.35
1967	.50
1968 to 1972, both inclusive	.60
1973 to 1975, both inclusive	.65
1976 to 1979, both inclusive	.70
1980 to 1986, both inclusive	.80
1987 and subsequent calendar years	.90

(c) *Computation of employee tax.* The employee tax is computed by applying to the wages received by the employee the rate in effect at the time such wages are received.

Example. In 1965 employee A performed for employer X services which constituted employment (see § 31.3121(b)–2). In 1966 A receives from X $1,000 as remuneration for such services. The tax is payable at the 4.2 percent rate (3.85 percent plus 0.35 percent) in effect for the calendar year 1966 (the year in which the wages are received) and not at the 3.625 percent rate which was in effect for the calendar year 1965 (the year in which the services were performed).

PAR. 4. Section 31.3111 is amended by revising section 3111 and the historical note to read as follows:

§ 31.3111 Statutory provisions; rate of tax.

Sec. 3111. *Rate of tax*—(a) *Old-age, survivors, and disability insurance.* In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b))—

(1) With respect to wages paid during the calendar year 1968, the rate shall be 3.8 percent;

(2) With respect to wages paid during the calendar years 1969 and 1970, the rate shall be 4.2 percent;

(3) With respect to wages paid during the calendar years 1971 and 1972, the rate shall be 4.6 percent; and

(4) With respect to wages paid after December 31, 1972, the rate shall be 5 percent.

(b) *Hospital insurance.* In addition to the tax imposed by the preceding subsection, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b))—

(1) With respect to wages paid during the calendar years 1968, 1969, 1970, 1971, and 1972, the rate shall be 0.60 percent;

(2) With respect to wages paid during the calendar years 1973, 1974, and 1975, the rate shall be 0.65 percent;

(3) With respect to wages paid during the calendar years 1976, 1977, 1978, and 1979, the rate shall be 0.70 percent;

(4) With respect to wages paid during the calendar years 1980, 1981, 1982, 1983, 1984, 1985, and 1986, the rate shall be 0.80 percent; and

(5) With respect to wages paid after December 31, 1986, the rate shall be 0.90 percent.

[Sec. 3111 as amended by sec. 208(c), Social Security Amendments 1954; sec. 202(c), Social Security Amendments 1956; sec. 401(c), Social Security Amendments 1958; sec. 201(c), Social Security Amendments 1961; secs. 111(c)(6) and 321(c), Social Security Amendments 1965; sec. 109(a)(3) and (b)(3), Social Security Amendments 1967]

PAR. 5. Section 31.3111–2 is amended to read as follows:

§ 31.3111–2 Rates and computation of employer tax.

(a) *Old-age, survivors, and disability insurance.* The rates of employer tax for old-age, survivors, and disability insurance with respect to wages paid in calendar years after 1954 are as follows:

Calendar years	Percent
1955 and 1956	2
1957 and 1958	2.25
1959	2.5
1960 and 1961	3
1962	3.125
1963 to 1965, both inclusive	3.625
1966	3.85
1967	3.9
1968	3.8
1969 and 1970	4.2
1971 and 1972	4.6
1973 and subsequent calendar years	5

(b) *Hospital insurance.* The rates of employer tax for hospital insurance with respect to wages paid in calendar years after 1965 are as follows:

Calendar years	Percent
1966	0.35
1967	.50
1968 to 1972, both inclusive	.60
1973 to 1975, both inclusive	.65
1976 to 1979, both inclusive	.70
1980 to 1986, both inclusive	.80
1987 and subsequent calendar years	.90

(c) *Computation of employer tax.* The employer tax is computed by applying to the wages paid by the employer the rate in effect at the time such wages are paid.

PAR. 6. Section 31.3121(a)(1) is amended by revising section 3121(a)(1) and the historical note to read as follows:

§ 31.3121(a)(1) Statutory provisions; definitions; wages; annual wage limitation.

Sec. 3121. *Definitions*—(a) *Wages.* * * *

(1) That part of the remuneration which, after remuneration (other than remuneration refererd to in the succeeding paragraphs of this subsection) equal to $7,800 with respect to employment has been paid to an individual by an employer during any calendar year, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all of the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then for the purpose of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to $7,800 to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer;

[Sec. 3121(a)(1) as amended by sec. 204(a), Social Security Amendments 1954; sec. 402(b), Social Security Amendments 1958; sec. 320(b)(2), Social Security Amendments 1965; sec. 108(b)(2), Social Security Amendments 1967]

PAR. 7. Section 31.3121(a)(1)–1 is amended by revising paragraph (a), paragraph (b)(1) and the example in paragraph (b)(5). These revised provisions read as follows:

§ 31.3121(a)(1)–1 Annual wage limitation.

(a) *In general.* (1) The term "wages" does not include that part of the remuneration paid by an employer to an employee within any calendar year—

(i) After 1954 and before 1959 which exceeds the first $4,200 of remuneration,

(ii) After 1958 and before 1966 which exceeds the first $4,800 of remuneration,

(iii) After 1965 and before 1968 which exceeds the first $6,600 of remuneration, or

(iv) After 1967 which exceeds the first $7,800 of remuneration

(exclusive of remuneration excepted from wages in accordance with paragraph (j) of § 31.3121(a)–1 or §§ 31.3121(a)(2)–1 to 31.3121(a)(13)–1, inclusive) paid within the calendar year by an employer to the employee for employment performed for him at any time after 1936. For provisions relating to the treatment of tips for purposes of the annual wage limitation see § 31.3121(q)–1.

(2) The annual wage limitation applies only if the remuneration received during any 1 calendar year by an employee from the same employer for employment performed after 1936 exceeds the amount of such limitation. The limitation in such case relates to the amount of remuneration received during any 1 calendar year for employment after 1936 and not to the amount of remuneration for employment performed in any 1 calendar year.

Example. Employee A, in 1967 receives $7,000 from employer B in part payment of $8,000 due him from employment performed in 1967. In 1968 A receives from employer B the balance of $1,000 due him for employment performed in 1967, and thereafter in 1968 also receives $7,000 for employment performed in 1968 for employer B. The first $6,600 of the $7,000 received during 1967 is subject to the taxes in 1967. The remaining $400 received in 1967 is not included as wages and is not subject to the taxes. The balance of $1,000 received in 1968 for employment during 1967 is subject to the taxes during 1968 as is also the first $6,800 of the $7,000 thereafter received in 1968 ($1,000 plus $6,800 totaling $7,800, which is the annual wage limitation applicable to remuneration received in 1968 by an employee from any one employer). The remaining $200 received in 1968 is not included as wages and is not subject to the taxes.

(3) If during a calendar year the employee receives remuneration from more than one employer, the annual wage limitation does not apply to the aggregate remuneration received from all of such employers, but instead applies to the remuneration received during such calendar year from each employer with respect to employment after 1936. In such case the first $7,800 received in any calendar year after 1967 (the first $6,600 received in any calendar year after 1965 and before 1968, the first $4,800 received in any calendar year after 1958 and before 1966, or the first $4,200 received in any calendar year after 1954 and before 1959) from each employer constitutes wages and is subject to the taxes, even though, under section 6413(c), the employee may be entitled to a special credit or refund of any amount of employee tax deducted from his wages which exceeds the employee tax with respect to the first $7,800 (or $6,600 or $4,800 or $4,200, as the case may be) of wages received during the calendar year from all employers. In this connection and in connection with the two examples immediately following, see § 31.6413(c)–1, relating to special credits or refunds of employee tax. In connection with the annual wage limitation in the cast of remuneration paid for services performed in the employ of the United States or a wholly owned instrumentality thereof, see § 31.3122. In connection with the annual wage limitation in the case of remuneration paid for services performed in the employ of the Government of Guam, the Government of American Samoa, the District of Columbia, a political subdivision of the Government of Guam, or the Government of American Samoa, or any instrumentality of any of the foregoing which is wholly owned thereby, see § 31.3125. In connection with the application of the annual wage limitation, see also paragraph (b) of this section, relating to the circumstances under which wages paid by a predecessor employer are deemed to be paid by his successor.

Example (1). During 1968 employee C receives from employer D a salary of $1,300 a month for employment performed for D during the first 7 months of 1968, or total remuneration of $9,100. At the end of the 6th month C has received $7,800 from employer D, and only that part of his total remuneration from D constitutes wages subject to the taxes. The $1,300 received by employee C from employer D in the 7th month is not included as wages and is not subject to the taxes. At the end of the 7th month C leaves the employ of D and enters the employ of E. C receives remuneration of $1,560 a month from employer E in each of the remaining 5 months of 1968, or total remuneration of $7,800 from employer E. The entire $7,800 received by C from employer E constitutes wages and is subject to the taxes. Thus, the first $7,800 received from employer D and the entire $7,800 received from employer E constitute wages.

Example (2). During the calendar year 1968 F is simultaneously an officer (an employee) of the X Corporation, the Y Corporation, and the Z Corporation and during such year receives a salary of $7,800 from each corporation. Each $7,800 received by F from each of the Corporations X, Y, and Z (whether or not such corporations are related) constitutes wages and is subject to the taxes.

(b) *Wages paid by predecessor attributed to successor.* (1) If an employer (hereinafter referred to as a successor) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and if immediately after the acquisition the successor employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for purposes of the application of the annual wage limitation set forth in paragraph (a) of this section, any remuneration (exclusive of remuneration excepted from wages in accordance with paragraph (j) of § 31.3121(a)–1 or §§ 31.3121(a)(2)–1 to 31.3121(a)(13)–1, inclusive) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by the predecessor during such calendar year and prior to the acquisition shall be considered as having been paid by the successor.

* * * * *

(5) * * *

Example. The Y Corporation in 1968 acquires by purchase all the property of the X Company and immediately after the acquisition employs in its trade or business employee A, who, immediately prior to the acquisition, was employed by the X Company. The X Company has in 1968 (the calendar year in which the acquisition occurs) and prior to the acquisition paid $5,000 of wages to A. The Y Corporation in 1968 pays to A remuneration of $5,000 with respect to employment. Only $2,800 of the remuneration paid by the Y Corporation is considered to be wages. For purposes of the $7,800 limitation, the Y Corporation is credited with the $5,000 paid to A by the X Company. If, in the same calendar year, the Z Company acquires the property by purchase from the Y Corporation and A immediately after the acquisition is employed by the Z Company in its trade or business, no part of the remuneration paid to A by the Z Company in the year of the acquisition will be considered to be wages. The Z Company will be credited with the remuneration paid to A by the Y Corporation and also with the wages paid to A by the X Company (considered for purposes of the application of the $7,800 limitation as having also been paid by the Y Corporation).

PAR. 8. Section 31.3121(b)–1 is amended by revising paragraph (b) to read as follows:

§ 31.3121(b)–1 Employment; services to which the regulations in this subpart apply.

* * * * *

(b) The taxes apply with respect to remuneration paid after 1954 for services performed before 1955, as well as for services performed after 1954, to the extent that the remuneration and services constitute wages and employment. See §§ 31.3121(a)–1 to 31.3121(a)(13)–1 relating to wages.

PAR. 9. Section 31.3121(b)(6) is amended by revising subparagraph (C) (iv) and (vi) of section 3121(b)(6) and the historical note to read as follows:

§ 31.3121(b)(6) Statutory provisions; definitions; employment; services in employ of United States or instrumentality thereof.

Sec. 3121. *Definitions.* * * *

(b) *Employment.* For purposes of this chapter, the term "employment" means * * * any service, of whatever nature, performed after 1954 * * *; except that * * * such term shall not include—

* * * * *

(6) * * *

(C) Service performed in the employ of the United States or in the employ of any in-

strumentality of the United States, if such service is performed—

* * * * *

(iv) By any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government), other than as a medical or dental intern or a medical or dental resident in training;

* * * * *

(vi) By any individual to whom subchapter III of chapter 83 of title 5, United States Code, does not apply because such individual is subject to another retirement system (other than the retirement system of the Tennessee Valley Authority);

[Paragraph (7), sec. 3121(b), as redesignated paragraph (6) and amended by sec. 205 (b), (d), Social Security Amendments 1954; sec. 201(d) (1), (2), Social Security Amendments 1956; secs. 104(h), 202(a), Farm Credit Act 1959 (73 Stat. 387, 389); sec. 311(b)(4), Social Security Amendments 1965; sec. 403(i), Social Security Amendments 1967. Sec. 201(d)(1), Social Security Amendments 1956, amended sec. 3121(b)(6)(B)(ii) by inserting "a Federal Home Loan Bank". Such amendment had no effect, however, for the reason that conditions set forth in sec. 104(i)(2) (A) and (B), Social Security Amendments 1956, were not met]

* * * * *

PAR. 10. Section 31.3121(b)(6)–1 is amended by revising paragraph (d) (4) and (6) to read as follows:

§ 31.3121(b)(6)–1 Services in employ of United States or instrumentality thereof.

* * * * *

(d) *Special classes of services.* * * *

(4) (i) Except as provided in subdivision (ii) of this subparagraph, services performed by student nurses, medical or dental interns, residents in training, student dietitians, student physical therapists, or student occupational therapists, assigned or attached to a hospital, clinic, or medical or dental laboratory operated by any department, agency, or instrumentality of the U.S. Government, or by certain other student employees described in section 5351(2) of title 5, United States Code.

(ii) The provisions of subdivision (i) of this subparagraph have no application to services performed after 1965 by medical or dental interns or by medical or dental residents in training.

* * * * *

(6) (i) Except as provided in subdivision (ii) of this subparagraph, services performed by an individual to whom subchapter III of chapter 83 of title 5, United States Code (civil service retirement) does not apply because he is, with respect to such services, subject to another retirement system, established either by a law of the United States or by the agency or instrumentality of the United States for which such services are performed.

(ii) The provisions of subdivision (i) of this subparagraph have no application to service performed by an individual to whom subchapter III of chapter 83 of title 5, United States Code (civil service retirement) does not apply because such individual is subject to the retirement system of the Tennessee Valley Authority, if such service is subject to the plan approved by the Secretary of Health, Education, and Welfare on December 28, 1956, pursuant to section 104(i)(2) of the Social Security Amendments of 1956 (70 Stat. 827). See section 201(m)(4) of such amendments for provisions relating to the timeliness of payment of tax with respect to remuneration paid before 1957 for such services, and barring the imposition of interest on the amount of any such tax due for any period before December 28, 1956.

PAR. 11. Section 31.3121(b)(7) is amended to read as follows:

§ 31.3121(b)(7) Statutory provisions; definitions; employment; services in employ of States or their political subdivisions or instrumentalities.

Sec. 3121. *Definitions.* * * *

(b) *Employment.* For purposes of this chapter, the term "employment" means * * * any service, of whatever nature, performed after 1954 * * *; except that * * * such term shall not include—

* * * * *

(7) Service performed in the employ of a State or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned thereby, except that this paragraph shall not apply in the case of—

(A) Service which, under subsection (j), constitutes covered transportation service,

(B) Service in the employ of the Government of Guam [see historical note at end of this section] or the Government of American Samoa or any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, performed by an officer or employee thereof (including a member of the legislature of any such Government or political subdivision), and, for purposes of this title with respect to the taxes imposed by this chapter—

(i) Any person whose service as such an officer or employee is not covered by a retirement system established by a law of the United States shall not, with respect to such service, be regarded as an employee of the United States or any agency or instrumentality thereof, and

(ii) The remuneration for service described in clause (i) (including fees paid to a public official) shall be deemed to have been paid by the Government of Guam [see historical note at end of this section] or the Government of American Samoa or by a political subdivision thereof or an instrumentality of any one or more of the foregoing which is wholly owned thereby, whichever is appropriate, or

(C) Service performed in the employ of the District of Columbia or any instrumentality which is wholly owned thereby, if such service is not covered by a retirement system established by a law of the United States; except that the provisions of this subparagraph shall not be applicable to service performed—

(i) In a hospital or penal institution by a patient or inmate thereof;

(ii) By any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or as a medical or dental resident in training;

(iii) By any individual as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency; or

(iv) By a member of a board, committee, or council of the District of Columbia, paid on a per diem, meeting, or other fee basis;

[Sec. 3121(b)(8) redesignated paragraph (7) by sec. 205(b), Social Security Amendments 1954; as amended by sec. 103(n), Social Security Amendments 1960; sec. 317(b), Social Security Amendments 1965; sec. 403 (i), Social Security Amendments 1967. The provisions of section 3121(b)(7)(B) are not applicable to service performed in the employ of the Government of Guam, of any political subdivision thereof, or of any wholly owned instrumentality of one or more of the foregoing, for the reason that a certification by the Governor of Guam, for which there is provision in sec. 103(v)(1), Social Security Amendments 1960, has not been received by the Secretary of the Treasury. Such a certification was made by the Governor of American Samoa and was received by the Secretary of the Treasury on December 29, 1960. Such a certification was made by the Commissioners of the District of Columbia and was received by the Secretary of the Treasury on Aug. 12, 1965]

PAR. 12. Section 31.3121(b)(7)–1 is amended by adding at the end thereof a new paragraph (d) to read as follows:

§ 31.3121(b)(7)–1 Services in employ of States or their political subdivisions or instrumentalities.

* * * * *

(d) *District of Columbia.* The exception from employment under section 3121(b)(7) does not apply to services performed after September 30, 1965, in the employ of the District of Columbia or any instrumentality which is wholly owned thereby, if such service is not covered by a retirement system established by a law of the United States. Notwithstanding the preceding sentence the following classes of services performed either in the employ of the District of Columbia or in the employ of any instrumentality which is wholly owned thereby are excepted from employment:

(1) Services performed in a hospital or penal institution by a patient or inmate thereof.

(2) Services performed by student nurses, student dietitians, student physical therapists, or student occupational therapists assigned or attached to a hospital, clinic, or medical or dental laboratory operated by the District of Columbia or by any wholly owned instrumentality thereof, or by certain other student employees described in section 5351(2) of title 5, United States Code. This subparagraph does not apply to services performed by medical or dental interns or by medical or dental residents in training described in such section 5351(2).

(3) Services performed by an individual as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency.

(4) Services performed by a member of a board, committee, or council of the District of Columbia, paid on a per diem, meeting, or other fee basis.

PAR. 13. Section 31.3121(b)(8)– is amended by revising section 105(b) of the Social Security Amendments of 1960 and

the historical note for such section 105 (b) and by adding section 316(d) of the Social Security Amendments of 1965 and a historical note for such section 316(d). These amended and added provisions read as follows:

§ 31.3121(b)(8) Statutory provisions; definitions; employment; services performed by a minister of a church or a member of a religious order; services in employ of religious, charitable, educational, or certain other organizations exempt from income tax.

* * * * *

Sec. 105. [*Social Security Amendments of 1960*]. * * *

(b) (1) If—

(A) An individual performed service in the employ of an organization with respect to which remuneration was paid before the first day of the calendar quarter in which the organization filed a waiver certificate pursuant to section 3121(k)(1) of the Internal Revenue Code of 1954, and such service is excepted from employment under section 210(a)(8)(B) of the Social Security Act,

(B) Such service would have constituted employment as defined in section 210 of such Act if the requirements of section 3121(k)(1) of such Code were satisfied,

(C) Such organization paid, on or before the due date of the tax return for the calendar quarter before the calendar quarter in which the organization filed a certificate pursuant to section 3121(k)(1) of such Code, any amount, as taxes imposed by sections 3101 and 3111 of such Code, with respect to such remuneration paid by the organization to the individual for such service,

(D) Such individual, or a fiduciary acting for such individual or his estate, or his survivor (within the meaning of section 205(c)(1)(C) of such Act), requests that such remuneration be deemed to constitute remuneration for employment for purposes of title II of such Act, and

(E) The request is made in such form and manner, and with such official, as may be prescribed by regulations made by the Secretary of Health, Education, and Welfare,

then, subject to the conditions stated in paragraphs (2), (3), (4), and (5), the remuneration with respect to which the amount has been paid as taxes shall be deemed to constitute remuneration for employment for purposes of title II of such Act.

(2) Paragraph (1) shall not apply with respect to an individual unless the organization referred to in paragraph (1)(A), on or before the date on which the request described in paragraph (1) is made, has filed a certificate pursuant to section 3121(k)(1) of such Code.

(3) Paragraph (1) shall not apply with respect to an individual who is employed by the organization referred to in paragraph (2) on the date the certificate is filed.

(4) If credit or refund of any portion of the amount referred to in paragraph (1)(C) (other than a credit or refund which would be allowed if the service constituted employment for purposes of chapter 21 of such Code) has been obtained, paragraph (1) shall not apply with respect to the individual unless the amount credited or refunded (including any interest under section 6611 of such Code) is repaid before January 1, 1968, or, if later, the first day of the third year after the year in which the organization filed a certificate pursuant to section 3121(k)(1) of such Code.

(5) Paragraph (1) shall not apply to any service performed for the organization in a period for which a certificate filed pursuant to section 3121(k)(1) of such Code is not in effect.

[Sec. 105(b), Social Security Amendments 1960 as amended by sec. 316(c), Social Security Amendments 1965]

* * * * *

Sec. 316. [*Social Security Amendments of 1965*]. * * *

(d) If—

(1) An individual performed service with respect to which remuneration was paid before the date of enactment of this Act [July 30, 1965] by an organization which, before such date, filed a waiver certificate pursuant to section 3121(k)(1) of the Internal Revenue Code.

(2) Such service is excluded from employment under title II of the Social Security Act but would not be excluded therefrom if the requirements of such section 3121(k)(1) had been met with respect to such service,

(3) Such service was performed during the period such certificate was in effect, and

(4) Such individual was listed pursuant to such section 3121(k)(1) at any time during such period and before the date of enactment of this Act as an employee who concurred in the filing of such certificate or such individual filed a request for coverage pursuant to section 105(b) of the Social Security Amendments of 1960, as in effect prior to the enactment of this Act (but such listing or request was not effective with respect to the service described above),

then, subject to the conditions stated in subparagraphs (B), (C), (D), and (E) of paragraph (1), and paragraph (4), of section 105(b) of the Social Security Amendments of 1960, as amended by this section, the remuneration of such individual which was paid with respect to such excluded service shall be deemed to constitute remuneration for employment for purposes of such title II; except that, for purposes of this subsection, in applying subparagraph (C) of paragraph (1) of such section 105(b) the date of enactment of this Act shall be considered to be the date on which the organization filed its certificate under section 3121(k)(1) and any reference, in paragraph (4) of such section, to such paragraph (1) shall be considered a reference to the preceding provisions of this subsection.

* * * * *

[Sec. 316(d), Social Security Amendments 1965]

PAR. 14. Section 31.3121(b)(13) is amended to read as follows:

§ 31.3121(b)(13) Statutory provisions; definitions; employment; services of student nurse.

Sec. 3121. *Definitions.* * * *

(b) *Employment.* For purposes of this chapter, the term "employment" means * * * any service, of whatever nature, performed after 1954 * * *; except that * * * such term shall not include—

* * * * *

(13) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law;

[Sec. 3121(b)(14), Internal Revenue Code 1954, redesignated paragraph (13) by sec. 205(b), Social Security Amendments 1954; as amended by sec. 311(b)(5), Social Security Amendments 1965]

PAR. 15. Section 31.3121(b)(13)–1 is amended by revising paragraph (b) to read as follows:

§ 31.3121(b)(13)–1 Services of student nurse or hospital intern.

* * * * *

(b) Services performed before 1966 as an intern (as distinguished from a resident doctor), in the employ of a hospital are excepted from employment, if the intern has completed a 4 years' course in a medical school chartered or approved pursuant to State law.

PAR. 16. Section 31.3121(k) is amended by revising paragraph (1)(B)(iii) of section 3121(k), by adding a new subparagraph (H) to section 3121(k)(1) and by revising the historical note. These amended and added provisions read as follows:

§ 31.3121(k) Statutory provisions; definitions; waiver of exemption by religious, charitable, and certain other organizations.

Sec. 3121. Definitions. * * *

(k) *Exemption of religious, charitable, and certain other organizations*—(1) *Waiver of exemption by organization.* * * *

(B) * * *

(iii) The first day of any calendar quarter preceding the calendar quarter in which the certificate is filed, except that such date may not be earlier than the first day of the 20th calendar quarter preceding the quarter in which such certificate is filed.

* * * * *

(H) An organization which files a certificate under subparagraph (A) before 1966 may amend such certificate during 1965 or 1966 to make the certificate effective with the first day of any calendar quarter preceding the quarter for which such certificate originally became effective, except that such date may not be earlier than the first day of the 20th calendar quarter preceding the quarter in which such certificate is so amended. If an organization amends its certificate pursuant to the preceding sentence, such amendment shall be effective with respect to the service of individuals who concurred in the filing of such certificate (initially or through the filing of a supplemental list) and who concur in the filing of such amendment. An amendment to a certificate filed pursuant to this subparagraph shall be filed with such official and in such form and manner as may be prescribed by regulations made under this chapter. If an amendment is filed pursuant to this subparagraph—

(i) For purposes of computing interest and for purposes of section 6651 (relating to addition to tax for failure to file tax return), the due date for the return and payment of the tax for any calendar quarter resulting from the filing of such an amendment shall be the last day of the calendar month following the calendar quarter in which the amendment is filed; and

(ii) The statutory period for the assessment of such tax shall not expire before the expiration of 3 years from such due date.

* * * * *

[Sec. 3121(k) as amended by secs. 205(b), 207, and 402, Social Security Amendments, 1954; sec. 201 (k) and (l), Social Security Amendments 1956; sec. 405(a), Social Security Amendments 1958; sec. 105(a), Social Security Amendments 1960; sec. 316 (a) and (b), Social Security Amendments 1965]

* * * * *

PAR. 17. Section 31.3121(k)–1 is amended by revising paragraph (c) (2) and (4) to read as follows:

§ 31.3121(k)–1 Waiver of exemption from taxes.

* * * * *

(c) *Effect of waiver.* * * *

(2) *Beginning of effective period of waiver*—(i) *Certificate filed after July 30, 1965.* A certificate filed after July 30, 1965, by an organization pursuant to section 3121(k) shall be in effect for the period beginning with one of the following dates, which shall be designated by the organization on the certificate:

(*a*) The first day of the calendar quarter in which the certificate is filed,

(*b*) The first day of the calendar quarter immediately following the quarter in which the certificate is filed, or

(*c*) The first day of any calendar quarter preceding the calendar quarter in which the certificate is filed, except that such date may not be earlier than the first day of the 20th calendar quarter preceding the quarter in which such certificate is filed. Thus, a certificate filed in December 1965 may be made effective, pursuant to this subdivision (*c*), for the period beginning with the first day of the calendar quarter beginning October 1, 1960, or the first day of any other calendar quarter beginning after October 1, 1960, and before October 1, 1965.

(ii) *Certificate filed after August 28, 1958, and before July 31, 1965.* A certificate filed after August 28, 1958, and before July 31, 1965, by an organization pursuant to section 3121(k) shall be in effect for the period beginning with one of the following dates, which shall be designated by the organization on the certificate:

(*a*) The first day of the calendar quarter in which the certificate is filed,

(*b*) The first day of the calendar quarter immediately following the quarter in which the certificate is filed, or

(*c*) The first day of any calendar quarter preceding the calendar quarter in which the certificate is filed, except that, in the case of a certificate filed before 1960, such date may not be earlier than January 1, 1956, and in the case of a certificate filed after 1959 (but before July 31, 1965), such date may not be earlier than the first day of the fourth calendar quarter preceding the quarter in which the certificate is filed. Thus, a certificate filed in December 1959 may be made effective for the calendar quarter beginning January 1, 1956; but a certificate filed in January 1960 may not be made effective for a calendar quarter beginning before January 1, 1959.

(iii) *Certificate filed after 1956 and before August 29, 1958.* A certificate filed by an organization after 1956 and before August 29, 1958, pursuant to section 3121(k), became effective for the period beginning with one of the following dates, as designated by the organization on the certificate:

(*a*) The first day of the calendar quarter in which the certificate was filed, or

(*b*) The first day of the calendar quarter immediately following the quarter in which the certificate was filed.

(iv) *Certificate filed before 1957.* A certificate filed before 1957 pursuant to section 3121(k) became effective for the period beginning with the first day following the close of the calendar quarter in which the certificate was filed. In no case, however, shall a certificate filed under the provisions of section 3121(k) be in effect with respect to services performed before January 1, 1955. (For regulations relating to waiver certificates filed under section 1426(l) of the Internal Revenue Code of 1939, see 26 CFR (1939) 408.216 (Regulations 128).)

* * * * *

(4) *Administrative provisions applicable when certificate has retroactive effect.* For purposes of computing interest and for purposes of section 6651 (relating to addition to tax for failure to file tax return), in any case in which a certificate filed pursuant to section 3121(k)(1) is effective pursuant to section 3121(k)(1)(B)(iii) (as originally enacted and as amended by section 316(a) of the Social Security Amendments of 1965) for one or more calendar quarters prior to the quarter in which the certificate is filed, the due date for the return and payment of the tax for such prior calendar quarters resulting from the filing of such certificate shall be the last day of the calendar month following the calendar quarter in which the certificate is filed. The statutory period for the assessment of the tax for such prior calendar quarters shall not expire before the expiration of 3 years from such due date.

PAR. 18. Section 3121(k)–2 is amended to read as follows:

§ 31.3121(k)–2 Waivers of exemption; original effective date changed retroactively.

(a) *Certificates filed after 1955 and before August 29, 1958.* (1) An organization which filed a certificate under section 3121(k) after 1955 and before August 29, 1958, may file a request on Form SS–15b at any time before 1960 to have such certificate made effective, with respect to the services of individuals who concurred in the filing of such certificate (initially, or by signing a supplemental list on Form SS–15a Supplement which was filed before Aug. 29, 1958) and whose signatures also appeared on such request on Form SS–15b, for the period beginning with the first day of any calendar quarter after 1955 which preceded the first calendar quarter for which the certificate originally was effective.

(2) For purposes of computing interest and for purposes of section 6651 (relating to addition to tax for failure to file tax return), the due date for the return and payment of the tax for any calendar quarter resulting from the filing of a request referred to in subparagraph (1) of this paragraph shall be the last day of the calendar month following the calendar quarter in which the request is filed. The statutory period for the assessment of such tax shall not expire before the expiration of 3 years from such due date.

(b) *Certificate filed before 1966.* (1) An organization which filed a certificate on Form SS–15 under section 3121(k)(1)(A) before January 1, 1966, may amend such certificate during 1965 or 1966 to make the certificate effective beginning with the first day of a calendar quarter preceding the date designated by the organization on the certificate (see paragraph (c)(2) of § 31.3121(k)–1). The amendment of the certificate shall be made by filing a Certificate For Retroactive Coverage on Form SS–15b. A certificate on Form SS–15 may be amended to be effective for the period beginning with the first day of any calendar quarter which precedes the calendar quarter for which the certificate was originally effective, except that such a certificate may not be made effective, through an amendment, for any calendar quarter which begins earlier than the 20th calendar quarter preceding the calendar quarter in which the organization files a Certificate For Retroactive Coverage on Form SS–15b. Thus, if a Certificate For Retroactive Coverage is filed in May 1966 in respect of a certificate on Form SS–15 filed in 1965, the certificate on Form SS–15 may not be made effective for a calendar quarter preceding the quarter beginning April 1, 1961. A certificate on Form SS–15 which is amended by a Certificate For Retroactive Coverage on Form SS–15b will be effective for the period preceding the first calendar quarter for which the certificate originally was effective only with respect to the services of individuals who concurred in the filing of the certificate (initially, or by signing a supplemental list on Form SS–15a Supplement which was filed prior to the date on which the Certificate For Retroactive Coverage was filed) and whose signatures also appear on the Certificate For Retroactive Coverage on Form SS–15b. A Certificate For Retroactive Coverage shall be filed with the district director with whom the related Form SS–15 was filed.

(2) For purposes of computing interest and for purposes of section 6651 (relating to addition to tax for failure to file tax return), the due date for the return and payment of the tax for any calendar quarter resulting from the filing of an amendment referred to in subparagraph (1) of this paragraph shall be the last day of the calendar month following the calendar quarter in which the amendment is filed. The statutory period for the assessment of such tax shall not expire before the expiration of 3 years from such due date.

PAR. 19. Section 31.3122 is amended by revising section 3122 and the historical note to read as follows:

§ 31.3122 Statutory provisions; Federal service.

Sec. 3122. *Federal service.* In the case of the taxes imposed by this chapter with respect to service performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, including service performed as a member of a uniformed service, to which the provisions of section 3121(m)(1) are applicable, and including service, performed as a volunteer or volunteer leader within the meaning of the Peace Corps Act, to which the provisions of section 3121(p) are applicable, the determination whether an

individual has performed service which constitutes employment as defined in section 3121(b), the determination of the amount of remuneration for such service which constitutes wages as defined in section 3121(a), and the return and payment of the taxes imposed by this chapter, shall be made by the head of the Federal agency or instrumentality having the control of such service, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to such service without regard to the $7,800 limitation in section 3121(a)(1), and he shall not be required to obtain a refund of the tax paid under section 3111 on that part of the remuneration not included in wages by reason of section 3121(a)(1). Payments of the tax imposed under section 3111 with respect to service, performed by an individual as a member of a uniformed service, to which the provisions of section 3121(m)(1) are applicable, shall be made from appropriations available for the pay of members of such uniformed service. The provisions of this section shall be applicable in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department; and for purposes of this section the Secretary of Defense shall be deemed to be the head of such instrumentality. The provisions of this section shall be applicable also in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Coast Guard Exchanges or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary, at installations of the Coast Guard for the comfort, pleasure, contentment, and mental and physical improvement of personnel of the Coast Guard; and for purposes of this section the Secretary shall be deemed to be the head of such instrumentality.

[Sec. 3122 as amended by secs. 202(c) and 203(a), Social Security Amendments 1954; sec. 411(b), Servicemen's and Veterans' Survivor Benefits Act (70 Stat. 879); sec. 402(c), Social Security Amendments 1958; sec. 70, Technical Amendments Act 1958 (72 Stat. 1660); sec. 202(a)(3), Peace Corps Act (75 Stat 626); sec. 320(b)(3), Social Security Amendments 1965; sec. 108(b)(3), Social Security Amendments 1967]

PAR. 20. Section 31.3125 is amended by revising the heading thereof, by revising section 3125, and by revising the historical note. These amended and added provisions read as follows:

§ 31.3125 Statutory provisions; returns in the case of Governmental employees in Guam, American Samoa, and the District of Columbia.

Sec. 3125. *Returns in the case of Governmental employees in Guam, American Samoa, and the District of Columbia*—(a) *Guam.* The return and payment of the taxes imposed by this chapter on the income of individuals who are officers or employees of the Government of Guam or any political subdivision thereof or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, and those imposed on such Government or political subdivision or instrumentality with respect to having such individuals in its employ, may be made by the Governor of Guam or by such agents as he may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to the service of such individuals without regard to the $7,800 limitation in section 3121(a)(1).

(b) *American Samoa.* The return and payment of the taxes imposed by this chapter on the income of individuals who are officers or employees of the Government of American Samoa or any political subdivision thereof or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, and those imposed on such Government or political subdivision or instrumentality with respect to having such individuals in its employ, may be made by the Governor of American Samoa or by such agents as he may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to the service of such individuals without regard to the $7,800 limitation in section 3121(a)(1).

(c) *District of Columbia.* In the case of the taxes imposed by this chapter with respect to service performed in the employ of the District of Columbia or in the employ of any instrumentality which is wholly owned thereby, the return and payment of the taxes may be made by the Commissioners of the District of Columbia or by such agents as they may designate. The person making such return may, for convenience of administration, make payments of the tax imposed by section 3111 with respect to such service without regard to the $7,800 limitation in section 3121(a)(1).

[Sec. 3125 as added by sec. 103(q)(1), Social Security Amendments 1960; amended by secs. 317(c)(1), (2), 320(b)(4), Social Security Amendments 1965; sec. 108(b)(4), Social Security Amendments 1967]

PAR. 21. Section 31.6051 is amended by revising section 6051(c) and the historical note to read as follows:

§ 31.6051 Statutory provisions; receipts for employees.

Sec. 6051. *Receipts for employees.* * * *

(c) *Additional requirements.* The statements required to be furnished pursuant to this section in respect of any remuneration shall be furnished at such other times, shall contain such other information, and shall be in such form as the Secretary or his delegate may by regulations prescribe. The statements required under this section shall also show the proportion of the total amount withheld as tax under section 3101 which is for financing the cost of hospital insurance benefits under part A of title XVIII of the Social Security Act.

* * * * *

[Sec. 6051 as amended by sec. 412, Servicemen's and Veterans' Survivor Benefits Act (70 Stat. 879); sec. 107, Social Security Amendments 1965]

PAR. 22. Section 31.6051–1 is amended by revising subdivision (*f*) of paragraph (a)(1)(i) and subdivision (iv) of paragraph (b)(1) to read as follows:

§ 31.6051–1 Statement for employees.

(a) *Requirement if wages are subject to withholding of income tax*—(1) *General rule.*

(i) * * *

(*f*) The total amount of employee tax under section 3101 deducted and withheld (increased by any adjustment in the calendar year for overcollection, or decreased by any adjustment in such year for undercollection, of such tax during any prior year) and the proportion thereof (expressed either as a dollar amount, as a percentage of the total amount of wages as defined in section 3121(a), or as a percentage of the total amount of employee tax under section 3101) withheld as tax under section 3101 (b) for financing the cost of hospital insurance benefits.

* * * * *

(b) *Requirement if wages are not subject to withholding of income tax*—(1) *General rule.* * * *

(iv) The total amount of employee tax deducted and withheld from such wages (increased by any adjustment in such year for overcollection, or decreased by any adjustment in such year for undercollection, of employee tax during any prior year) and the proportion thereof (expressed either as a dollar amount, as a percentage of the total amount of wages as defined in section 3121(a), or as a percentage of the total amount of employee tax under section 3101) withheld as tax under section 3101(b) for financing the cost of hospital insurance benefits.

* * * * *

PAR. 23. Section 31.6205 is amended by adding a paragraph (4) to section 6205 (a) and by amending the historical note. These added and amended provisions read as follows:

§ 31.6205 Statutory provisions; special rules applicable to certain employment taxes.

Sec. 6205. *Special rules applicable to certain employment taxes*—(a) *Adjustment of tax.* * * *

(4) *District of Columbia as employer.* For purposes of this subsection, in the case of remuneration received during any calendar year from the District of Columbia or any instrumentality which is wholly owned thereby, the Commissioners of the District of Columbia and each agent designated by them who makes a return pursuant to section 3125 shall be deemed a separate employer.

[Sec. 6205 as amended by sec. 103(r)(1), Social Security Amendments 1960; sec. 317(d), Social Security Amendments 1965]

PAR. 24. Section 31.6413(a) is amended by adding paragraphs (3) and (4) to section 6413(a) and by adding a historical note. These added provisions read as follows:

§ 31.6413(a) Statutory provisions; special rules applicable to certain employment taxes; adjustment of tax.

Sec. 6413. *Special rules applicable to certain employment taxes*—(a) *Adjustment of tax.* * * *

(3) *Guam or American Samoa as employer.* For purposes of this subsection, in the case of remuneration received during any calendar year from the Government of Guam, the Government of American Samoa, a political subdivision of either, or any instrumentality of any one or more of the foregoing which is wholly owned thereby, the Governor of Guam, the Governor of American Samoa, and each agent designated by either who makes a return pursuant to section 3125 shall be deemed a separate employer.

(4) *District of Columbia as employer.* For purposes of this subsection, in the case of remuneration received during any calendar year from the District of Columbia or any instrumentality which is wholly owned thereby, the Commissioners of the District of Columbia and each agent designated by them who makes a return pursuant to section 3125 shall be deemed a separate employer.

[Sec. 6413(a) as amended by sec. 103(r)(2), Social Security Amendments 1960; sec. 317(e), Social Security Amendments 1965]

PAR. 25. Section 31.6413(c) is amended by revising paragraph (1) of section 6413(c), by revising the heading and subparagraph (A) of section 6413(c)(2), by adding subparagraphs (D), (E), and (F) at the end of section 6413(c)(2), and by revising the historical note. These amended and added provisions read as follows:

§ 31.6413(c) Statutory provisions; special rules applicable to certain employment taxes; special refunds.

Sec. 6413. *Special rules applicable to certain employment taxes.* * * *

(c) *Special refunds*—(1) *In general.* If by reason of an employee receiving wages from more than one employer during a calendar year after the calendar year 1950 and prior to the calendar year 1955, the wages received by him during such year exceed $3,600, the employee shall be entitled (subject to the provisions of section 31(b)) to a credit or refund of any amount of tax, with respect to such wages, imposed by section 1400 of the Internal Revenue Code of 1939 and deducted from the employee's wages (whether or not paid to the Secretary or his delegate), which exceeds the tax with respect to the first $3,600 of such wages received; or if by reason of an employee receiving wages from more than one employer (A) during any calendar year after the calendar year 1954 and prior to the calendar year 1959, the wages received by him during such year exceed $4,200, or (B) during any calendar year after the calendar year 1958 and prior to the calendar year 1966, the wages received by him during such year exceed $4,800, or (C) during any calendar year after the calendar year 1965 and prior to the calendar year 1968, the wages received by him during such year exceed $6,600, or (D) during any calendar year after the calendar year 1967, the wages received by him during such year exceed $7,800, the employee shall be entitled (subject to the provisions of section 31(b)) to a credit or refund of any amount of tax, with respect to such wages, imposed by section 3101 and deducted from the employee's wages (whether or not paid to the Secretary or his delegate), which exceeds the tax with respect to the first $4,200 of such wages received in such calendar year after 1954 and before 1959, or which exceeds the tax with respect to the first $4,800 of such wages received in such calendar year after 1958 and before 1966, or which exceeds the tax with respect to the first $6,600 of such wages received in such calendar year after 1965 and before 1968, or which exceeds the tax with respect to the first $7,800 of such wages received in such calendar year after 1967.

(2) *Applicability in case of Federal and State employees, employees of certain foreign corporations, and Governmental employees in Guam, American Samoa, and the District of Columbia*—(A) *Federal employees.* In the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year, each head of a Federal agency or instrumentality who makes a return pursuant to section 3122 and each agent, designated by the head of a Federal agency or instrumentality, who makes a return pursuant to such section shall, for purposes of this subsection, be deemed a separate employer, and the term "wages" includes for purposes of this subsection the amount, not to exceed $3,600 for the calendar year 1951, 1952, 1953, or 1954, $4,200 for the calendar year 1955, 1956, 1957, or 1958, $4,800 for the calendar year 1959, 1960, 1961, 1962, 1963, 1964, or 1965, $6,600 for the calendar year 1966 or 1967, or $7,800 for any calendar year after 1967, determined by each such head or agent as constituting wages paid to an employee.

* * * * *

(D) *Governmental employees in Guam.* In the case of remuneration received from the Government of Guam or any political subdivision thereof or from any instrumentality of any one or more of the foregoing which is wholly owned thereby, during any calendar year, the Governor of Guam and each agent designated by him who makes a return pursuant to section 3125(a) shall, for purposes of this subsection, be deemed a separate employer.

(E) *Governmental employees in American Samoa.* In the case of remuneration received from the Government of American Samoa or any political subdivision thereof or from any instrumentality of any one or more of the foregoing which is wholly owned thereby, during any calendar year, the Governor of American Samoa and each agent designated by him who makes a return pursuant to section 3125(b) shall, for purposes of this subsection, be deemed a separate employer.

(F) *Governmental employees in the District of Columbia.* In the case of remuneration received from the District of Columbia or any instrumentality wholly owned thereby, during any calendar year, the Commissioners of the District of Columbia and each agent designated by them who makes a return pursuant to section 3125(c) shall, for purposes of this subsection, be deemed a separate employer.

[Sec. 6413(c) as amended by sec. 202(a)(1), Social Security Amendments of 1954; sec. 402(d), Social Security Amendments 1958; sec. 103(r)(3), (4), Social Security Amendments 1960; sec. 317(f)(1), (2), sec. 320(b)(5), (6), Social Security Amendments 1965; sec. 108(b)(5), (6), Social Security Amendments 1967. The provisions of section 6413(c)(2)(D) are not applicable, for the reason that a certification by the Governor of Guam, for which there is provision in sec. 103(v)(1), Social Security Amendments 1960, has not been received by the Secretary of the Treasury. Such a certification was made by the Governor of American Samoa and was received by the Secretary of the Treasury on Dec. 29, 1960. Such a certification was made by the Commissioners of the District of Columbia and was received by the Secretary of the Treasury on Aug. 12, 1965]

PAR. 26. Section 31.6413(c)-1 is amended by revising paragraph (a)(1) and (2), and by adding new subparagraphs (5) and (6) at the end of paragraph (a). These amended and added provisions read as follows:

§ 31.6413(c)-1 Special refunds.

(a) *Who may make claims*—(1) *In general.*

(i) If an employee receives wages, as defined in section 3121(a), from two or more employers in any calendar year:

(*a*) After 1954 and before 1959 in excess of $4,200,

(*b*) After 1958 and before 1966 in excess of $4,800,

(*c*) After 1965 and before 1968 in excess of $6,600, or

(*d*) After 1967 in excess of $7,800, the employee shall be entitled to a special refund of the amount, if any, by which the employee tax imposed by section 3101 with respect to such wages and deducted therefrom (whether or not paid) exceeds the employee tax with respect to the first $4,200, $4,800, $6,600, or $7,800, whichever is appropriate, of such wages. Employee tax imposed by section 3101 with respect to tips reported by an employee to his employer and collected by the employer from funds turned over by the employee to the employer (see section 3102(c)) shall be treated, for purposes of this paragraph, as employee tax deducted from wages received by the employee. If the employee is required to file an income tax return for such calendar year (or for his last taxable year beginning in such calendar year) he may obtain the benefit of the special refund only by claiming credit as provided in § 1.31-2 of this chapter (Income Tax Regulations).

(ii) The application of this subparagraph may be illustrated by the following examples:

Example (1). Employee A in the calendar year 1968 receives taxable wages in the amount of $5,000 from each of his employers, B, C, and D, for services performed during such year (or at any time after 1936), or a total of $15,000. Employee tax (computed at 4.4 percent, the aggregate employee tax rate in effect in 1968) is deducted from A's wages in the amount of $220 by B and $220 by C, or a total of $440. Employer D pays employee tax in the amount of $220 without deducting such tax from A's wages. The employee tax with respect to the first $7,800 of such wages is $343.20. A is entitled to a special refund of $96.80 ($440 minus $343.20). The $5,000 of wages received from employer D and the $220 of employee tax paid with respect thereto have no bearing in computing A's special refund since such tax was not deducted from his wages.

Example (2). Employee E in the calendar year 1968 performs services for employers F and G, for which E is entitled to wages of $7,800 from each employer, or a total of $15,600. On account of such services, E in 1967 received an advance payment of $1,800 of wages from F; and in 1968, receives wages in the amount of $6,000 from F and $7,800 from G. Employee tax was deducted as follows: In 1967, $79.20 ($1,800 × 4.4 percent, the aggregate employee tax rate in effect in 1967) by employer F; and in 1968, $264.00 ($6,000 × 4.4 percent, the aggregate employee tax rate in effect in 1968) by employer F, and $343.20 ($7,800 × 4.4 percent) by employer G. Thus, E in the calendar year 1968 received $13,800 in wages from which $607.20 of employee tax was deducted. The amount of employee tax with respect to the first $7,800 of such wages received in 1968 is $343.20. E is entitled to a special refund of $264.00 ($607.20 minus $343.20). The $1,800 advance of wages received in 1967 from F, and the $79.20 of employee tax with respect thereto, have no bearing in computing E's special refund for 1968, because the wages were not received in 1968. Such amounts could not form the basis for a special refund unless E during 1967 received from F and at least one more employer wages totaling more than $6,600.

(2) *Federal employees.* For purposes of special refunds of employee tax, each head of a Federal agency or of a wholly owned instrumentality of the United States who makes a return pursuant to section 3122 (and each agent designated by a head of a Federal agency or instrumentality who makes a return pursuant to such section), is considered a separate employer. For such purposes, the term "wages" includes the amount which each such head (or agent) determines to constitute wages paid an employee, but not in excess of $4,200 paid in any calendar year after 1954 and before 1959, $4,800 paid in any calendar year after 1958 and before 1966, $6,600 paid in any calendar year after 1965 and before 1968, or $7,800 paid in any calendar year after 1967. For example, if wages received by an employee during any calendar year after 1967 are reportable by two or more agents of one or more Federal agencies and the amount of such wages is in excess of $7,800, the employee shall be entitled to a special refund of the amount, if any, by which the employee tax imposed with respect to such wages and deducted therefrom exceeds the employee tax with respect to the first $7,800 of such wages. Moreover, if an employee receives wages during any calendar year from an agency or wholly owned instrumentality of the United States and from one or more other employers, either private or governmental, the total amount of such wages shall be taken into account for purposes of the special refund provisions.

* * * * *

(5) *Governmental employees in American Samoa.* For purposes of special refunds of employee tax, the Governor of American Samoa and each agent designated by him who makes a return pursuant to section 3125(b) (see § 31.3125) is considered a separate employer. For such purposes, the term "wages" includes the amount which the Governor (or any agent) determines to constitute wages paid an employee, but not in excess of $4,800 paid in any calendar year after 1960 and before 1966, $6,600 paid in any calendar year after 1965 and before 1968, or $7,800 paid in any calendar year after 1967. For example, if wages received by an employee during any calendar year after 1967 are reportable by two or more agents pursuant to section 3125(b) and the total amount of such wages is in excess of $7,800, the employee shall be entitled to a special refund of the amount, if any, by which the employee tax imposed with respect to such wages and deducted therefrom exceeds the employee tax with respect to the first $7,800 of such wages. Moreover, if any employee receives wages during any calendar year from the Government of American Samoa, from a political subdivision thereof, or from any wholly owned instrumentality of such government or political subdivision and from one or more other employers, either private or governmental, the total amount of such wages shall be taken into account for purposes of the special refund provisions.

(6) *Governmental employees in the District of Columbia.* For purposes of special refunds of employee tax, the Commissioner of the District of Columbia (or, prior to the transfer of functions pursuant to Reorganization Plan No. 3 of 1967 (81 Stat. 948), the Commissioners of the District of Columbia) and each agent designated by him who makes a return pursuant to section 3125(c) (see § 31.3125) is considered a separate employer. For such purposes, the term "wages" includes the amount which the Commissioner (or any agent) determines to constitute wages paid an employee, but not in excess of $4,800 paid in the calendar year 1965, $6,600 paid in any calendar year after 1965 and before 1968, or $7,800 paid in any calendar year after 1967. For example, if wages received by an employee during any calendar year after 1967 are reportable by two or more agents pursuant to section 3125(c) and the total amount of such wages is in excess of $7,800, the employee shall be entitled to a special refund of the amount, if any, by which the employee tax imposed with respect to such wages and deducted therefrom exceeds the employee tax with respect to the first $7,800 of such wages. Moreover, if an employee receives wages during any calendar year from the Government of the District of Columbia or from a wholly owned instrumentality thereof and from one or more other employers, either private or governmental, the total amount of such wages shall be taken into account for purposes of the special refund provisions.

* * * * *

PAR. 27. Section 301.6051 is amended by revising section 6051(c) and the historical note to read as follows:

§ 301.6051 Statutory provisions; receipts for employees.

Sec. 6051. *Receipts for employees.* * * *

(c) *Additional requirements.* The statements required to be furnished pursuant to this section in respect of any remuneration shall be furnished at such other times, shall contain such other information, and shall be in such form as the Secretary or his delegate may by regulations prescribe. The statements required under this section shall also show the proportion of the total amount withheld as tax under section 3101 which is for financing the cost of hospital insurance benefits under part A of title XVIII of the Social Security Act.

* * * * *

[Sec. 6051 as amended by sec. 412, Servicemen's and Veterans' Survivor Benefits Act (70 Stat. 879); sec. 107, Social Security Amendments 1965 (79 Stat. 337)]

PAR. 28. Section 301.6205 is amended by adding a paragraph (4) to section 6205(a) and by amending the historical note. These added and amended provisions read as follows:

§ 301.6205 Statutory provisions; special rules applicable to certain employment taxes.

Sec. 6205. *Special rules applicable to certain employment taxes*—(a) *Adjustment of tax.* * * *

(4) *District of Columbia as employer.* For purposes of this subsection, in the case of remuneration received during any calendar year from the District of Columbia or any instrumentality which is wholly owned thereby, the Commissioners of the District of Columbia and each agent designated by them who makes a return pursuant to section 3125 shall be deemed a separate employer.

[Sec. 6205 as amended by sec. 103(r)(1), Social Security Amendments 1960 (74 Stat. 940); sec. 317(d), Social Security Amendments 1965 (79 Stat. 389)]

PAR. 29. Section 301.6413 is amended by adding a paragraph (4) to section 6413(a), by revising paragraph (1) of section 6413(c), by revising the heading and subparagraph (A) of section 6413(c)(2), by adding a subparagraph (F) at the end of section 6413(c)(2), and by revising the historical note. These amended and added provisions read as follows:

§ 301.6413 Statutory provisions; special rules applicable to certain employment taxes.

Sec. 6413. *Special rules applicable to certain employment taxes*—(a) *Adjustment of tax.* * * *

(4) *District of Columbia as employer.* For purposes of this subsection, in the case of remuneration received during any calendar year from the District of Columbia or any instrumentality which is wholly owned thereby, the Commissioners of the District of Columbia and each agent designated by them who makes a return pursuant to section 3125 shall be deemed a separate employer.

* * * * *

(c) *Special refunds*—(1) *In general.* If by reason of an employee receiving wages from more than one employer during a calendar year after the calendar year 1950 and prior to the calendar year 1955, the wages received by him during such year exceed $3,600, the employee shall be entitled (subject to the provisions of section 31(b)) to a credit or refund of any amount of tax, with respect to such wages, imposed by section 1400 of the Internal Revenue Code of 1939 and deducted from the employee's wages (whether or not paid to the Secretary or his delegate), which exceeds the tax with respect to the first $3,600 of such wages received; or if by reason of an employee receiving wages from more than one employer (A) during any calendar year after the calendar year 1954 and prior to the calendar year 1959, the wages received by him during such year exceed $4,200, or (B) during any calendar year after the calendar year 1958 and prior to the calendar year 1966, the wages received by him during such year exceed $4,800, or (C) during any calendar year after the calendar year 1965 and prior to the calendar year 1968, the wages received by him during such year exceed $6,600, or (D) during any calendar year after the calendar year 1967, the wages received by him during such year exceed $7,800, the employee shall be entitled (subject to the provisions of section 31(b)) to a credit or refund of any amount of tax, with respect to such wages, imposed by section 3101 and deducted from the employee's wages (whether or not paid to the Secretary or his delegate), which exceeds the tax with respect to the first $4,200 of such wages received in such calendar year after 1954 and before 1959, or which exceeds the tax with respect to the first $4,800 of such wages received in such calendar year after 1958 and before 1966, or which exceeds the tax with respect to the first $6,600 of such wages received in such calendar year after 1965 and before 1968, or which exceeds the tax with respect to the first $7,800 of such wages received in such calendar year after 1967.

(2) *Applicability in case of Federal and State employees, employees of certain foreign corporations, and Governmental employees in Guam, American Samoa, and the District of Columbia*—

(A) *Federal employees.* In the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year, each head of a Federal agency or instrumentality who makes a return pursuant to section 3122 and each agent, designated by the head of a Federal agency or instrumentality, who makes a return pursuant to such section shall, for purposes of this subsection, be deemed a separate employer, and the term "wages" includes for purposes of this subsection the amount, not to exceed $3,600 for the calendar year 1951, 1952, 1953, or 1954, $4,200 for the calendar year 1955, 1956, 1957, or 1958, $4,800 for the calendar year 1959, 1960, 1961, 1962, 1963, 1964, or 1965, $6,600 for the calendar year 1966, or 1967, or $7,800 for any calendar year after 1967, determined by each such head or agent as constituting wages paid to an employee.

* * * * *

(F) *Governmental employees in the District of Columbia.* In the case of remuneration received from the District of Columbia or any instrumentality wholly owned thereby, during any calendar year, the Commissioners of the District of Columbia and each agent designated by them who makes a return pursuant to section 3125(c) shall, for purposes of this subsection, be deemed a separate employer.

* * * * *

[Sec. 6413 as amended by sec. 202(a)(1), Social Security Amendments 1954 (68 Stat. 1089); sec. 402(d), Social Security Amendments 1958 (72 Stat. 1043); sec. 103(r) (2), (3), and (4), Social Security Amendments 1960 (74 Stat. 940); sec. 317 (e) and (f) (1) and (2), sec. 320(b) (5) and (6), Social Security Amendments 1965 (79 Stat. 389); sec. 108(b) (5) and (6), Social Security Amendments 1967 (81 Stat. 835). The provisions of section 6413(c) (2) (D) are not applicable, for the reason that a certification by the Governor of Guam, for which there is a provision in sec. 103(v)(1), Social Security Amendments 1960, has not been received by the Secretary of the Treasury. Such a certification was made by the Governor of American Samoa and was received by the Secretary of the Treasury on Dec. 29, 1960. Such a certification was made by the Commissioners of the District of Columbia and was received by the Secretary of the Treasury on Aug. 12, 1965]

Because this Treasury decision amends existing regulations relating to the Federal Insurance Contributions Act merely to reflect statutory changes made by the Social Security Amendments of 1960, the Social Security Amendments of 1965, and the Social Security Amendments of 1967 in the annual wage limitation from $4,800 to $6,600, and from $6,600 to $7,800 (with conforming change in the area of special refunds); in the rates of employee and employer tax; in the definition of employment (1) to accord employees of the District of Columbia Government substantially comparable treatment to that previously accorded Governmental employees in Guam and American Samoa; and (2) to extend coverage to certain service performed by certain interns and residents in training; and in the period for which a certificate of an exempt organization may be effective; none of which require regulatory provisions of a substantive nature, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under 5 U.S.C. 553(b) or subject to the effective date limitation of 5 U.S.C. 553(d).

(This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).)

SHELDON S. COHEN,
Commissioner of Internal Revenue.

Approved: November 29, 1968.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

[F.R. Doc. 68-14513; Filed, Dec. 3, 1968; 8:50 a.m.]

Title 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

MINIMUM WAGES FOR CERTAIN INDUSTRIES IN PUERTO RICO; WAGE ORDER

Pursuant to sections 5, 6, and 8 of the Fair Labor Standards Act of 1938 (52 Stat. 1062, 1064, as amended; 29 U.S.C. 205, 206, and 208) and Reorganization Plan No. 6 of 1950 (3 CFR 1949–53 Comp., p. 1004), and by means of Administrative Order No. 603 (33 F.R. 12103), the Secretary of Labor appointed and convened Industry Committee No. 76–C to investigate conditions in the industry comprising the 1966 coverage classification of the shoe and related products industry in Puerto Rico, as defined in 29 CFR 601.2(b); 1966 coverage classifications of the leather, leather goods, and related products industry in Puerto Rico, as defined in 29 CFR 602.2(c); 1966 coverage classifications of the fabric and leather glove industry in Puerto Rico, as defined in 29 CFR 603.2(c); 1966 coverage classification of the metal, machinery, transportation equipment, and allied products industry in Puerto Rico, as defined in 29 CFR 604.2(c); 1966 coverage classification of the electrical, instrument, and related products industry in Puerto Rico, as defined in 29 CFR 606.2(c); 1966 coverage classifications of the handkerchief, scarf, and art linen industry in Puerto Rico, as defined in 29 CFR 608.2(c); 1966 coverage classifications of the women's and children's underwear and women's blouse industry in Puerto Rico, as defined in 29 CFR 609.2(c); 1966 coverage classification of the children's dress and related products industry in Puerto Rico, as defined in 29 CFR 610.2(c); 1966 coverage classification of the sweater and knit swimwear industry in Puerto Rico, as defined in 29 CFR 611.2(b); 1966 coverage classification of the needlework and fabricated textile products industry in Puerto Rico, as defined in 29 CFR 612.2(h); 1966 coverage classifications of the straw, hair, and related products industry in Puerto Rico, as defined in 29 CFR 613.2(c); 1966 coverage classification of the corsets, brassieres, and allied garments industry in Puerto Rico, as defined in 29 CFR 614.2(c); 1966 coverage classifications of the men's and boys' clothing and related products industry in Puerto Rico, as defined in 29 CFR 615.2(c); 1966 coverage classifications of the button, jewelry, and lapidary work industry in Puerto Rico, as defined in 29 CFR 616.2(c); 1966 coverage classification of the alcoholic beverage and industrial alcohol industry in Puerto Rico, as defined in 29 CFR 619.2 (b); 1966 coverage classification of the tobacco industry in Puerto Rico, as defined in 29 CFR 657.2(c); 1966 coverage classification of the banking, insurance and finance industry in Puerto Rico, as defined in 29 CFR 661.2(b); 1966 coverage classifications of the chemical, petroleum, and related products industry in Puerto Rico, as defined in 29 CFR 670.2(d); 1966 coverage classification of the communications, utilities, and transportation industry in Puerto Rico, as defined in 29 CFR 671.2(c); 1966 coverage classification of the construction, business service, motion picture, and miscellaneous industry in Puerto Rico, as defined in 29 CFR 672.2(b); 1966 coverage classification of the food and related products industry in Puerto Rico, as defined in 29 CFR 673.2(q); 1966 coverage classification of the lumber and wood products industry in Puerto Rico, as defined in 29 CFR 675.2(e); 1966 coverage classification of the paper, paper products, printing, and publishing industry in Puerto Rico, as defined in 29 CFR 677.2(c); 1966 coverage classifications of the stone, clay, glass, cement, and related products industry in Puerto Rico, as defined in 29 CFR 678.2(d); 1966 coverage classification of the retailing, wholesaling, and warehousing industry in Puerto Rico, as defined in 29 CFR 683.2 (d); 1966 coverage classifications of the hosiery industry in Puerto Rico, as defined in 29 CFR 687.2(c); 1966 coverage classification of the artificial flower, decoration, and party favor industry in Puerto Rico, as defined in 29 CFR 688.2 (c); 1966 coverage classification of the sugar manufacturing industry in Puerto Rico, as defined in 29 CFR 689.2(b); 1966 coverage classification of the fabricated plastic products industry in Puerto Rico, as defined in 29 CFR 690.2(c); 1966 coverage classifications of the textile and textile products industry in Puerto Rico, as defined in 29 CFR 699.2(c); and for the 1966 coverage classification of the rubber products industry in Puerto Rico, as defined in 29 CFR 720.2(c).

The Secretary of Labor referred to the Committee the question of the minimum wage rate or rates to be paid under section 6(c) of the Act to employees in the industries described and defined in the preceding paragraph and gave notice of a hearing to be held by the Committee.

Subsequent to an investigation and a hearing conducted pursuant to the notice, the Committee filed with the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor a report containing its findings of fact and recommendations with respect to the matters referred to it.

Accordingly, as authorized and required by section 8 of the Fair Labor Standards Act of 1938, Reorganization