within the confines of "small business" as defined in the Regulatory Flexibility Act. A number of firms which are affected by these adopted regulations do not meet the definition of small business either because of their individual size or because of their dominant position in one or more marketing areas. William T. Manley, Deputy Administrator, AMS, has certified that these actions will have no significant economic impact upon all entities, small or large and will, in no way, affect the normal competition in the market place.

List of Subjects in 7 CFR Part 29

Administrative practices and procedure, Tobacco.

Accordingly, the Regulations under the Tobacco Inspection Act contained in 7 CFR Part 29 are amended as follows:

PART 29—TOBACCO INSPECTION

1. Section 29.3036 is revised to read as follows:

§ 29.3036 Lot.

A pile, basket, bulk, bale or bales, sheet, case hogshead, tierce, package, or other definite package unit.

2. Section 29.3044 is revised to read as follows:

§ 29.3044 Oriented.

A term applied to untied tobacco which denotes the arrangement of leaves in a straight and orderly manner. Oriented includes:

(a) Any lot of baled tobacco in which the leaves are packed parallel to the length of the bale with the butts to the outside and the tips of the leaves overlapping sufficiently to make a level, solid and uniform package;

(b) Any lot of sheeted tobacco in which the leaves are arranged in a circular pattern with the butts to the outside.

Dated: August 31, 1983.

C. W. McMillan,

Assistant Secretary, Marketing and Inspection Services.

[FR Doc. 83-24380 Filed 9-6-83; 8:45 am]

BILLING CODE 3410-02-M

Agricultural Stabilization and Conservation Service

7 CFR Part 760

Special Programs; Dairy Indemnity Payment Programs

AGENCY: Agricultural Stabilization and Conservation Service, USDA.

ACTION: Interim Rule.

SUMMARY: The purpose of this interim rule is to amend the Dairy Indemnity Payment Program Regulations to extend the operation of the program through September 30, 1983. Further, it appears that funds available to the Agricultural Stabilization and Conservation Service (ASCS) will be insufficient to pay all fiscal year 1983 dairy indemnity claims which may be filed. Accordingly, this interim rule provides that beginning with fiscal year 1983 each claimant would be paid a pro rata share of their total claim for the fiscal year if there are insufficient funds to pay all claimants.

EFFECTIVE DATE: This regulation shall become effective September 7, 1983. Comments must be received on or before October 7, 1983.

ADDRESS: Send comments to Director, Emergency Operations and Livestock Programs Division, ASCS, USDA, South Building, Room 4095, Washington, D.C. 20013.

FOR FURTHER INFORMATION CONTACT: Clarence Domire, Agricultural Program Specialist, Emergency Operations and Livestock Programs Division, ASCS, USDA, South Building, Room 4095, Washington, D.C. 20013; (202) 447-7997.

SUPPLEMENTARY INFORMATION: This rule has been reviewed under USDA procedures established in accordance with Executive Order 12291 and Secretary Memorandum 1512-1 and has been classified as "not major." This rule has been classified as "not major" since it will not result in: (1) An annual effect on the economy of $100 million or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

The title and number of the Federal assistance program to which this rule applies are: Title—Dairy Indemnity Payments, Number—10.053, as found in the Catalog of Federal Domestic Assistance Programs.

It has been determined that the Regulatory Flexibility Act is not applicable to this rule since ASCS is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this rule.

The Dairy Indemnity Payment Program was originally authorized by Section 331 of the Economic Opportunity Act of 1964 (75 Stat. 525). The legislation has been extended several times. The most recent extension, by the Agriculture and Food Act of 1981 (95 Stat. 1220), extended authority for the program through September 30, 1985. The objective of the program is to indemnify dairy farmers and manufacturers of dairy products, who, through no fault of their own, suffer income losses on milk, or milk products removed from commercial markets because such products contain certain harmful residues. In addition, dairy farmers can also be indemnified for income losses due to residues of toxic substances and contamination by nuclear radiation or fallout.

The Agriculture and Food Act of 1981 made no substantive changes with respect to the Dairy Indemnity Payment Program but merely extend time period for conducting the program. The main purpose of this interim rule is to authorize operation of the program through September 30, 1983.

The sum of $7.0 million has been appropriated to cover fiscal year 1982 and 1983 claims under the program. The claims for these two fiscal years will most likely exceed the $7.0 million. Accordingly, this interim rule provides that beginning with fiscal year 1983, each eligible claimant will receive a pro rata share of the remaining funds available to the Department to pay dairy indemnity claims if insufficient funds are available to the Department to pay all eligible claims. All such claims would be paid after the end of the 1983 fiscal year. While it is the present intention of the Department to pay dairy indemnity claims in this manner, consideration may also be given to other methods for paying such claims, such as, payment on the basis of the earliest filing date.

Since the paramount purpose of this interim rule is to extend the operation of the Dairy Indemnity Payment Program, it has been determined that in order to allow eligible claims to be filed and processed as soon as possible, this rule should be published without prior opportunity for public comment. Therefore, this regulation shall become effective upon publication in the Federal Register.

However, the public is invited to submit written comments regarding the method of payment rule to the Director, Emergency Operations and Livestock Programs Division, ASCS, USDA, Room 4095, South Building, Washington, D.C. 20013. Persons submitting comments should include their name and address and give reasons for the comments. Copies of all written comments received will be available for review by interested persons in Room 4095, South

Building, USDA, during regular business hours. Comments must be received by October 7, 1983 to be assured of consideration.

The comment period on this interim rule has been limited to 30 days to give interested persons time for comments and also to expedite payment of eligible fiscal year 1983 dairy indemnity claims.

A final rule will be published in the Federal Register as soon as possible discussing any comments received as well as making any applicable amendments to the regulation.

Information collection requirements contained in this regulation (7 CFR Part 760) have been approved by The Office of Management and Budget under provisions of 44 U.S.C. Chapter 35 and have been assigned OMB No. 0560-0045.

List of Subjects in 7 CFR Part 760

Bees, Dairy products, Honey, Indemnity payments, Pesticides and pests.

Interim Rule

PART 760—[AMENDED]

Accordingly, the regulations at 7 CFR Part 760 are amended as follows:

§ 760.2 [Amended]

1. In § 760.2, paragraphs (k) (1) and (2), (l), and (o) are amended by striking out "1982" and inserting in lieu thereof "1983".

§ 760.8 [Amended]

2. Section 760.8 is amended by striking out "1982" and inserting in lieu thereof "1983".

3. Section 760.33 is revised to read as follows:

§ 760.33 Availability of Funds.

Payment of indemnity claims will be contingent upon the availability of funds to the Department to pay such claims. With respect to claims filed after October 1, 1982, if the Department determines that the amount of claims to be filed under the program will exceed the funds available to the Department, to pay such claims payments will be made so that each eligible claimant will receive a pro rata share of the remaining funds available to the Department to pay dairy indemnity claims.

(Approved by Office of Management and Budget under control No. 0560-0045)

Secs. 1, 2, 3, Pub. L. 90-484, 82 Stat. 750, as amended (7 U.S.C. 450 j, k, l)

Signed at Washington, D.C. on August 31, 1983.

Everett Rank,

Administrator, Agricultural Stabilization and Conservation Service.

[FR Doc. 83-24383 Filed 9-6-83; 8:45 am]

BILLING CODE 3410-05-M

Agricultural Marketing Service

7 CFR Part 981

Handling of Almonds Grown in California; Extension of Disposition Date for 1982-83 Crop Year Reserve Almonds

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Emergency final rule.

SUMMARY: This action extends the time which handlers of California almonds have to sell their 1982-83 crop year reserve almonds from September 1, 1983, to November 1, 1983. Reserve almonds not sold by handlers to reserve outlets by November 1 will be disposed of by the Almond Board of California. This action is needed because of the lengthy startup time required by handlers to develop new markets for reserve almonds.

EFFECTIVE DATE: September 7, 1983.

FOR FURTHER INFORMATION CONTACT: Frank M. Grasberger, Acting Chief, Specialty Crops Branch, Fruit and Vegetable Division, AMS, USDA, Washington, D.C. 20250 (202) 447-5053.

SUPPLEMENTARY INFORMATION: This proposed rule has been reviewed under USDA guidelines implementing Executive Order 12291 and Secretary's Memorandum No. 1512-1 and has been classified a "non-major" rule under criteria contained therein.

The 1982-83 almond reserve was established through a final rule published in the Federal Register, September 30, 1982 (47 FR 42960). That final rule contained a statement that William T. Manley, Deputy Administrator, Agricultural Marketing Service, has determined that [such] action will not have a significant economic impact on a substantial number of small entities because it will result in only minimal costs being incurred by the regulated 29 handlers.

It has been determined that an emergency situation exists which warrants publication of this final rule without prior authority for public comment. This action will relax a restriction on handlers by allowing them additional time to sell their 1982-83 crop year reserve almonds beyond the current September 1, 1983, deadline. Therefore, this action should take effect on or before September 1, 1983, and consequently, there is not sufficient time to issue a notice of proposed rulemaking soliciting comments from the public.

Therefore, pursuant to the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice of rulemaking and other public procedure with respect to this emergency action are impracticable and contrary to the public interest, and that good cause is found for making this emergency final action effective less than 30 days after publication of this document in the Federal Register.

This final rule adds § 981.466a to Subpart—Administrative Rules and Regulations (7 CFR 981.401-981.474; 48 FR 11249). This subpart is issued under the marketing agreement and Order No. 981 (7 CFR 981), both as amended, regulating the handling of almonds grown in California and hereinafter referred to collectively as the "order." Section 981.466a is added pursuant to § 981.66(e) of the order. The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). This action is based on a recommendation of the Almond Board of California, hereinafter referred to as the "Board," which works with USDA in administering the order.

Section 981.66(e) provides that any reserve almonds remaining unsold to reserve outlets as of each September 1 subsequent to any crop year in which handlers are required to withhold such almonds from normal outlets shall be disposed of by the Board as soon as practicable through the most readily available reserve outlets. Section 981.66(e) also provides that the date of September 1 may be extended by the Secretary of Agriculture upon recommendation of the Board or the receipt of other information. This action extends the September 1 date to November 1 for the purpose of disposing of 1982-83 crop year reserve almonds.

A two percent reserve requirement was established for marketable California almonds received by handlers during the 1982-83 crop year for the purpose of developing new outlets for almonds noncompetitive with normal domestic and export outlets. The principal outlets targeted for reserve almonds under this program were almond butter and school lunch program markets. This program is new to the industry and has required considerable startup time for almond handlers to develop such markets. Therefore, the Board believes that handlers should be given additional time to dispose of their 1982-83 crop year reserve almonds.

List of Subjects in 7 CFR Part 981

Marketing agreements and orders, Almonds, and California.

After consideration of all relevant matter available, including the Board's recommendation, it is further found that to add § 981.466a will tend to effectuate the declared policy of the act.

PART 981—[AMENDED]

Therefore, § 981.466a is added to Subpart—Administrative Rules and Regulations (7 CFR 981.401–981.474; 48 FR 11249) as follows: (This section will not appear in the Code of Federal Regulations).

§ 981.466a Extension of disposition date for 1982–83 crop year reserve almonds.

Pursuant to § 981.66(e), the date of September 1 contained in § 981.66(e) shall be changed to November 1 with regard to the disposition of 1982–83 crop year reserve almonds.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 1, 1983.

Charles R. Brader,

Director, Fruit and Vegetable Division.

[FR Doc. 83-24415 Filed 9-6-83; 8:45 am]

BILLING CODE 3410-02-M

DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Part 369

[Docket No. 30901-179]

Restrictive Trade Practices or Boycotts

AGENCY: International Trade Administration, Commerce.

ACTION: Interpretation.

SUMMARY: The Department is clarifying the application of its antiboycott regulations (15 CFR Part 369) to situations which permit a U.S. person who qualifies as a bona fide resident of a foreign country to furnish information in response to legal requirements of the foreign country, notwithstanding the boycott nature of those requirements.

EFFECTIVE DATE: September 7, 1983.

FOR FURTHER INFORMATION CONTACT: Howard N. Fenton, Director, Compliance Policy Division, Office of Antiboycott Compliance, U.S. Department of Commerce (202/377–4550).

SUPPLEMENTARY INFORMATION: The antiboycott regulations include an exception to the prohibitions which permits a U.S. person who qualifies as a "bona fide resident" of a boycotting country to comply with the laws of that country to the extent the U.S. person's activities take place exclusively within the boycotting country [§ 369.3 (f–1)]. Among the activities which the exception specifically permits is the furnishing of otherwise prohibited information about business relationships in response to legal requirements of the boycotting country. OAC believes that it is appropriate at this time to clarify the nature of information that could be provided and the circumstances under which the information could be provided pursuant to this exception. This interpretation sets forth the Department's views with regard to these issues.

List of Subjects in 15 CFR Part 369

Boycotts, Foreign trade, Reporting and recordkeeping requirements, Restrictive trade practices, Trade practices.

Interpretation

The principal author of this interpretation is Howard N. Fenton, Director, Compliance Policy Division, Office of Antiboycott Compliance.

PART 369–[AMENDED]

The following appendix is added to Part 369 as Supplement 9.

Supplement No. 9

Appendix—Interpretation–Activities Exclusively Within a Boycotting Country—Furnishing Information

Section 369.3(f–1) of the regulations provides that a United States person who is a bona fide resident of a boycotting country may comply with the laws of that country with respect to his or her activities exclusively within the boycotting country. Among the types of conduct permitted by this exception is "furnishing information within the host country" § 369.3(f–1)(1)(v). For purposes of the discussion which follows, the Department is assuming that the person in question is a bona fide resident of the boycotting country as defined in § 369.3(f), and that the information to be provided is required by the laws or regulations of the boycotting country, as also defined at § 369.3(f). The only issue this interpretation addresses is under what circumstances the provision of information is "an activity exclusively within the boycotting country.

The activity of "furnishing information" consists of two parts, the acquisition of the information and its subsequent transmittal. Under the terms of this exception, the information may not be acquired outside the country for the purpose of responding to the requirement for information imposed by the boycotting country. Thus, if an American company which is a bona fide resident of a boycotting country is required to provide information about its dealings with other U.S. firms, the company may not ask its parent corporation in the United States for that information, or make any other inquiry outside the boundaries of the boycotting country. The information must be provided to the boycotting country authorities based on information or knowledge available to the company and its personnel located within the boycotting country at the time the inquiry is received [see § 369.3(f–1) examples (iii), (iv), (v)]. Much of the information in the company's possession (transaction and corporate records) may have actually originated outside the boycotting country, and much of the information known to the employees may have been acquired outside the boycotting country. This will not cause the information to fall outside the coverage of this exception, if the information was sent to the boycotting country or acquired by the individuals in normal commercial context prior to and unrelated to a boycott inquiry or purpose. It should be noted that if prohibited information (about business relations with a boycotted country, for example) has been forwarded to the affiliate in the boycotting country in anticipation of a possible boycott inquiry from the boycotting country government, the Department will not regard this as information within the knowledge of the bona fide resident under the terms of the exception. However, if the bona fide resident possesses the information prior to receipt of a boycott-related inquiry and obtained it in a normal commercial context, the information can be provided pursuant to this exception notwithstanding the fact that, at some point, the information came into the boycotting country from the outside.

The second part of the analysis of "furnishing information" deals with the limitation on the transmittal of the information. It can only be provided within the boundaries of the boycotting country. The bona fide resident may only provide the information to the party that the boycotting country law requires (directly or through an agent or representative within the country) so long as that party is located within the boycotting country. This application of the exception is somewhat easier, since it is relatively simple to determine if the information is to be given to somebody within the country.

Note that in discussing what constitutes furnishing information "exclusively within" the boycotting country, the Department does not address the nature of the transaction or activity that the information relates to. It is the Department's position that the nature of the transaction, including the inception or completion of the transaction, is not material in analyzing the availability of this exception.

For example, if a shipment of goods imported into a boycotting country is held up at the time of entry, and information from the bona fide resident within that country is legally required to free those goods, the fact that the information may relate to a transaction that began outside the boycotting country is not material. The availability of the exception will be judged based on the activity of the bona fide resident within the country. If the resident provides that information of his or her own knowledge, and provides it to appropriate parties located

exclusively within the country, the exception permits the information to be furnished.

Factual variations may raise questions about the application of this exception and the effect of this interpretation. In an effort to anticipate some of these, the Department has set forth below a number of questions and answers. They are incorporated as a part of this interpretation.

1. *Q:* Under this exception, can a company which is a U.S. person and a bona fide resident of the boycotting country provide information to the local boycott office?

A: Yes, if local law requires the company to provide this information to the boycott office and all the other requirements are met.

2. *Q:* If the company knows that the local boycott office will forward the information to the Central Boycott Office, may it still provide the information to the local boycott office?

A: Yes, if it is requred by local law to furnish the information to the local boycott office and all the other requirements are met. The company has no control over what happens to the information after it is provided to the proper authorities. (There is obvious potential for evasion here, and the Department will examine such occurrences closely.)

3. *Q:* Can a U.S. person who is a bona fide resident of Syria furnish information to the Central Boycott Office in Damascus?

A: No, unless the law in Syria specifically requires information to be provided to the Central Boycott Office the exception will not apply. Syria has a local boycott office responsible for enforcing the boycott in that country.

4. *Q:* If a company which is a U.S. person and a bona fide resident of the boycotting country has an import shipment held up in customs of the boycotting country, and is required to provide information about the shipment to get it out of customs, may the company do so?

A: Yes, assuming all other requirements are met. The act of furnishing the information is the activity taking place exclusively within the boycott country. The fact that the information is provided corollary to a transaction that originates or terminates outside the boycotting country is not material.

5. *Q:* If the U.S. person and bona fide resident to the boycotting country is shipping goods out of the boycotting country, and is required to certify to customs officials of the country at the time of export that the goods are not of Israeli origin, may he do so even though the certification relates to an export transaction?

A: Yes, assuming all other requirements are met. See number 4 above.

(Pub. L. 96-72, 93 Stat. 503; sec. 8(a), 50 U.S.C. App. 2407 (Supp. III, 1979))

Dated: August 31, 1983.

William V. Skidmore,

Director, Office of Antiboycott Compliance

[FR Doc. 83-24364 Filed 9-1-83; 12:19 pm]

BILLING CODE 3510-25-M

ENVIRONMENTAL PROTECTION AGENCY

21 CFR Part 561

[FAP 2H5325/R595; PH-FRL 2428-4]

Tolerances for Pesticides in Animal Feeds Administered by the Environmental Protection Agency; Thiodicarb

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This rule establishes an interim feed additive regulation to permit the combined residues of the insecticide thiodicarb and its metabolite in or on the need commodities cottonseed and soybean hulls. This regulation to permit marketing of the commodities treaded with the insecticide in accordance with an experimental use permit was requested in a petition by Union Carbide Corporation.

EFFECTIVE DATE: Effective on September 7, 1983.

ADDRESS: Written objections may be submitted to the: Hearing Clerk (A-110), Environmental Protection Agency, Rm. 3708, 401 M St., SW., Washington, D.C. 20460.

FOR FURTHER INFORMATION CONTACT: By mail: Jay Ellenberger, Product Manager (PM) 12, Registration Division (TS-767C), Environmental Protection Agency, 401 M St., SW., Washington, D.C. 20460. Office location and telephone number: Rm. 202, CM#2, 1921 Jefferson Davis Highway, Arlington, VA 22202, (703-557-2386).

SUPPLEMENTARY INFORMATION: EPA issued a regulation published in the **Federal Register** of April 14, 1982 (47 FR 16011), which announced that Union Carbide Corporation, P.O. Box 12114, T.W. Alexander Drive, Research Triangle Park, NC 27709, had submitted feed additive petition 2H5325 to the Agency proposing to amend 21 CFR 561.386 by establishing an interim regulation permitting residues of the insecticide thiodicarb (dimethyl *N*,*N*'-[thiobis[(methylamino) carbonyloxy]] bis [ethanimidothioate], and its metabolite methomyl (*N*-[(methylcarbamoyl)oxy] thioacetimidate in or on the feed commodities cottonseed and soybean hulls at 0.8 part per million (ppm) and 0.4 ppm respectively.

The data submitted and other relevant material have been evaluated and discussed in the April 14, 1982 final rule document.

The petitioner, Union Carbide Corporation, has requested an extension of the interim regulation to permit continued testing and collection of additional data and marketing of the feed commodities. EPA has granted the extension until June 14, 1984.

A related document, [PP 2G2581/T427], establishing interim tolerances for the raw agricultural commodities cottonseed and soybeans, appears elsewhere in today's issue of the **Federal Register.**

The pesticide is considered useful for the purpose for which the regulation is sought. It is concluded that the pesticide may be safely used in the prescribed manner when such use is in accordance with the label and labeling registered pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended, (86 Stat. 973, 89 Stat. 751, U.S.C. 136 *et seq)* and is established as set forth below.

The Office of Management and Budget has exempted this rule from the requirements of section 3 of Executive Order 12291.

Pursuant to the requirements of the Regulatory Flexibility Act (Pub. L. 96-534, 94 Stat. 1164, 5 U.S.C. 601-612), the Administrator has determined that regulations establishing new food and feed additive levels, or conditions for safe use of additives, or raising such food or feed additive levels do not have a significant economic impact on a substantial number of small entities. A certification statement to this effect was published in the **Federal Register** of May 4, 1981 (46 FR 24945).

List of Subjects in 21 CFR Part 561

Feed additives Pesticides and pests

Dated: August 17 1983.

Edwin L. Johnson,

Director, Office of Pesticide Programs

PART 561—[AMENDED]

Therefore, 21 CFR 561.386 is revised to read as follows:

§ 561.386 Thiodicarb.

(a) [Reserved]

(b) An interim regulation is established permitting the combined residues of the insecticide thiodicarb (dimethyl *N*' *N*'-[thiobis [(methylamino) carbonyloxy]] bis [ethanimidothioate], and its metabolite methomyl (*N*-[(methylcarbamoyl)oxy] thioacetimidate resulting from application of the pesticide to growing crops under an experimental program.

Feeds	Parts per million	Company	Expiration Date
Cottonseed, hulls	0.8	Union Carbide Corp.	June 14, 1984.
Soybean, hulls	0.4	do	Do.

(Sec. 409(c)(1), 72 Stat. 1786 (21 U.S.C. 346(c)(1))

[FR Doc. 83-24159 Filed 9-6-83; 8:45 am]

BILLING CODE 6560-50-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[T.D. 7909]

Income tax; Substantiation of Meal Expenses While Traveling

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final Income Tax Regulations whch give the Commissioner authority to establish an optional method of computing meal expenses in connection with travel. Under the optional method a taxpayer is recieved of substantiating the actual amount of the meal expenses.

EFFECTIVE DATE: These regulations are effective for expenses paid or incurred after December 31, 1982.

FOR FURTHER INFORMATION CONTACT: David R. Haglund of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Ave., NW., Washington, D.C. 20224. (Attention: CC:LR:T) (202-566-3459).

SUPPLEMENTARY INFORMATION:

Background

On February 28, 1983, the **Federal Register** published proposed amendments to the Income Tax Regulations (26 CFR Part 1) under section 274(d) of the Internal Revenue Code of 1954 (48 FR 8292). The amendments were proposed to give the Commissioner authority to establish an optional method of computing meal expenses while traveling. A number of comments on the proposed regulations were received. A public hearing was not held. After consideration of all the comments regarding the proposed amendments, those amendments are adopted by this Treasury decision without change.

Explanation of Provisions

Section 274(d) of the Internal Revenue Code of 1954 was added by section 4(a)(1) of Revenue Act of 1962 (76 Stat. 974) to require taxpayers to substantiate certain entertainment and travel expenses. The last sentence of section 274(d) gives the Secretary authority to waive by regulations some or all of the substantiation requirements of section 274(d). Paragraph (b)(2) of § 1.274-5 of the Income Tax Regulations (26 CFR Part 1) requires a taxpayer to substantiate the amount of each separate travel expense and the time, place and business purpose of the travel.

This document amends the regulations under § 1.274-5 to give the Commissioner authority to establish a method under which a taxpayer may elect to use a specified amount or amounts for meals while traveling in lieu of substantiating the actual cost of meals. The taxpayer is not relieved of substantiating the actual cost of other travel expenses as well as the time, place and business purpose of the travel.

An Internal Revenue Service news release (IR-83-31) announced that the standard meal allowances under the new method were anticipated to be $14 per day for travel requiring a stay of less than 30 days in one general locality, and $9 per day for travel that requires a stay of 30 days or more in one general locality. A number of comments indicated that the proposed amounts of $14 and $9 were too low and suggested higher figures. The Internal Revenue Service recognizes that actual meal expenses may vary widely. However, the purpose of the regulations is to reduce the recordkeeping burden on taxpayers where relatively small amounts are involved.

One comment expressed concern that the specified amounts may be used as a benchmark to test the reasonableness of the amount of substantiated meal expenses otherwise deductible. The specified amounts are not intended to be used for that purpose.

Non-Applicability of Executive Order 12291

The Treasury Department has determined that this regulations is not subject to review under Executive Order 12291 or the Treasury and OMB implementation of Order dated April 29, 1983.

Regulatory Flexibility Act

Pursuant to 5 U.S.C. 605(b), the Secretary of the Treasury has certified that the requirements of the Regulatory Flexibility Act do not apply to this final regulation as it will not have a significant economic impact on the substantial number of small entities. The regulations will tend to reduce the recordkeeping duties of taxpayers rather than increase them.

Drafting Information

The principal author of these regulations is David R. Haglund of the Legislation and Regulations Division of the Office of the Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulations both on matters of substance and style.

List of Subjects in 26 CFR Parts 1.61-1 Through 1.281-4

Income taxes, Taxable income, Deductions, Exemptions.

Adoption of Amendments to the Regulations

Accordingly, the proposed amendments to the Income Tax Regulations (26 CFR Part 1) under section 274(d), as published in the **Federal Register** (48 FR 8292) on February 28, 1983, are hereby adopted as proposed.

This Treasury decision is issued under the authority contained in sections 274(d) and 7805 of the Internal Revenue Code of 1954 (76 Stat. 975, 26 U.S.C. 274(d); 68A Stat. 917, 26 U.S.C. 7805).

Roscoe L. Egger, Jr.,

Commissioner of Internal Revenue.

Approved: August 17, 1983.

Ronald A. Pearlman,

Acting Assistant Secretary of the Treasury.

Adoption of amendments to 26 CFR Part 1 are as follows:

PART 1—[AMENDED]

Section 1.274-5 is revised by adding a sentence to the end of paragraphs (f) and (g)(1), by revising paragraph (h) and by adding a new paragraph (i) immediately after paragraph (h), to read as follows:

§ 1.274-5 Substantiation requirements.

* * * * *

(f) Substantiation by reimbursement arrangements or per diem, mileage, and other traveling allowances * * * See

paragraph (h) of this section relating to the substantiation of meal expenses while traveling.

(g) Reporting and substantiation of certain reimbursements of persons other than employees—(1) In general. * * * See paragraph (h) of this section relating to the substantiation of meal expenses while traveling.

* * * * *

(h) Authority for an optional method of computing meal expenses while traveling. The Commissioner may establish a method under which a taxpayer may elect to use a specified amount or amounts for meals while traveling in lieu of substantiating the actual cost of meals. The taxpayer would not be relieved of substantiating the actual cost of other travel expenses as well as the time, and business purpose of the travel. See paragraph (b)(2) and (c) of this section.

(i) Effective date—(1) In general. Section 274(d) and this section apply with respect to taxable years ending after December 31, 1962, but only with respect to period after that date.

(2) Certain meal expenses. Paragraph (h) of this section is effective for expenses paid or incurred after December 31, 1982.

[FR Doc. 83-24317 Filed 9-6-83; 8:45 am]
BILLING CODE 4830-01-M

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26 CFR Parts 1, 25, and 301

[T.D. 7910]

Time for Filing of Gift Tax Returns

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the time for filing gift tax returns and the payment of gift taxes. Changes in the applicable tax law were made by the Economic Recovery Tax Act of 1981. The regulations would provide the public with the guidance needed to comply with the Act and would affect all persons who are required to file gift tax returns and pay gift taxes.

DATES: The regulations are effective for gifts made after December 31, 1981.

FOR FURTHER INFORMATION CONTACT: Barry S. Landua of the Interpretative Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. 20224, attention: CC:LR:T (202) 566-3220, not a toll-free call.

SUPPLEMENTARY INFORMATION:

Background

On February 11, 1983 (48 FR 6363), the **Federal Register** published proposed amendments to the Income Tax Regulations (26 CFR Part 1), Gift Tax Regulations (26 CFR Part 25), and the Regulations on Procedure and Administration (26 CFR Part 301) under sections 1015, 2501 through 2504, 2511, 2513, 2514, 2516, 2517, 2522, 2524, 6075 and 6212 of the Internal Revenue Code of 1954 (Code). These amendments were proposed to conform the regulations to section 442 of the Economic Recovery Tax Act of 1981 (Pub. L. 97-34, 95 Stat. 320).

No amendments have been made herein to the regulations under sections 2523 and 6019, which are being considered separately.

A public hearing has not been requested. Three written comments were received. One comment disagreed with proposed § 25.6075-2 to the extent that it would require the gift tax return to be filed under the general rule (April 15 following the close of the calendar year), when the donor's estate tax return is due after April 15. The comment stated that there is no authority in the statute or the legislative history for the proposed rule. We believe that the reason for the rule in section 6075(b)(3) that the due date of the gift tax return for the calendar year that includes the date of death of the donor shall be no later than the due date (including extensions) for filing the estate tax return is that it is necessary to know the amount of the gift tax paid in order to complete the estate tax return. Extending the due date of the gift tax return to the due date of the estate tax return is not necessary in order for the estate tax to be computed. Therefore, these regulations adopt the position taken in the notice that the due date of the gift tax return will not be automatically extended to a later due date for filing the estate tax return.

The same comment also suggested an explicit statement that the general rule for filing the gift tax return (April 15 following the close of the calendar year) applies where no estate tax return is required to be filed. We have adopted this suggestion in section 25.6075-1 of the regulations.

Another comment contained a suggestion relating to the interpretation of the estate tax, a matter outside the scope of these regulations. Additionally, the comments noted typographical errors, which have been corrected. The comments also offered suggestions for stylistic improvements, many of which have been adopted.

Annual Return

These regulations provide for the filing of gift tax returns and the payment of gift taxes on an annual basis. In addition, regulation § 25.6075-1 sets forth rules regarding the time for filing a gift tax return for a calendar year which includes the date of death of the donor.

Executive Order 12291 and Regulatory Flexibility Act

The Commissioner of Internal Revenue has determined that this final rule is not a major rule as defined in Executive Order 12291 and that a Regulatory Impact Analysis is, therefore, not required. Although a notice of proposed rulemaking which solicited public comment was issued, the Internal Revenue Service concluded when the notice was issued that the regulations are interpretative and that the notice and public procedure requirements of 5 U.S.C. 553 did not apply. Accordingly, the final regulations do not constitute regulations subject to the Regulatory Flexibility Act (5 U.S.C. chapter 6).

Drafting Information

The principal author of these regulations is Barry S. Landau of the Interpretative Division of the Office of Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulation, both on matters of substance and style.

List of Subjects

26 CFR 1.1001-1—1.1102-3

Income taxes, Gain and loss, Basis, Nontaxable exchanges.

26 CFR 25

Gift taxes.

26 CFR 301

Administrative practice and procedure, Bankruptcy, Courts, Crime, Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Investigations, Law enforcement, Penalties, Pensions, Statistics, Disclosure of information, Filing requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR Parts 1, 25, and 301 are amended as follows:

PART 1—[AMENDED]

Paragraph 1. Section 1.1015-5 is amended as follows:

(a) Paragraph (b)(1)(i) is revised to read as set forth below.

(b) The first sentence of paragraph (b)(1)(ii) is revised to read as set forth below.

(c) The second sentence of paragraph (b)(2) is revised to read as set forth below.

§ 1.1015-5 Increased basis for gift tax paid.

* * * * *

(b) *Amount of gift tax paid with respect to a gift of property.* (1)(i) If only one gift was made during a certain "calendar period" (as defined in § 25.2502-1(c)(1)), the entire amount of the gift tax paid under chapter 12 or the corresponding provisions of prior revenue laws for that calendar period is the amount of the gift tax paid with respect to the gift.

(ii) If more than one gift was made during a certain calendar period, the amount of the gift tax paid under chapter 12 or the corresponding provisions of prior revenue laws with respect to any specified gift made during that calendar period is an amount, A, which bears the same ratio to B (the total gift tax paid for that calendar period) as C (the "amount of the gift," computed as described in this paragraph (b)(1)(ii)) bears to D (the total taxable gifts for the calendar period computed without deduction for the gift tax specific exemption under section 2521 (as in effect prior to its repeal by the Tax Reform Act of 1976) or the corresponding provisions of prior revenue laws). * * *

* * * * *

(2) * * * Where more than one gift of a present interest in property is made to the same donee during a "calendar period" (as defined in § 25.2502-1(c)(1)), the annual exclusion shall apply to the earliest of such gifts in point of time.

* * * * *

PART 25—[AMENDED]

Par. 2. Section 25.0-1 is amended by revising paragraph (a)(1) to read as set forth below.

§ 25.0-1 Introduction.

(a) *In general.* (1) The regulations in this part are designated "Gift Tax Regulations." These regulations pertain to (i) the gift tax imposed by chapter 12 of subtitle B of the Internal Revenue Code on the transfer of property by gift by individuals in the calendar year 1955, in subsequent calendar years beginning before the calendar year 1971, in calendar quarters beginning with the first calendar quarter of calendar year 1971 through the last calendar quarter of the calendar year 1981, and in calendar years beginning with the calendar year 1982, and (ii) certain related administrative provisions of subtitle F of the Code. It should be noted that the application of some of the provisions of these regulations may be affected by the provisions of an applicable gift tax convention with a foreign country. Unless otherwise indicated, references in these regulations to the "Internal Revenue Code" or the "Code" are references to the Internal Revenue Code of 1954, as amended, and references to a section or other provision of law are references to a section or other provision of the Internal Revenue Code of 1954, as amended. The Gift Tax Regulations are applicable to the transfer of property by gift by individuals in calendar years 1955 through 1970, in calendar quarters beginning with the first calendar quarter of calendar year 1971 through the last calendar quarter of the calendar year 1981, and in calendar years beginning with the calendar year 1982, and supersede the regulations contained in Part 86, Subchapter B, Chapter 1, Title 26, Code of Federal Regulations (1939) (Regulations 108, Gift Tax (8 FR 10858)), as prescribed and made applicable to the Internal Revenue Code of 1954 by Treasury Decision 6091, signed August 16, 1954 (19 FR 5167, Aug. 17, 1954).

* * * * *

Par. 3. Section 25.2501-1 is amended as follows:

(a) Paragraph (a)(1) is revised to read as set forth below.

(b) Paragraph (a)(3)(ii) is amended by removing "calendar quarter" the first time it appears and inserting in lieu thereof " "calendar period" (as defined in § 25.2502-1(c)(1))", removing "calendar quarter" every other time it appears and inserting in lieu thereof "calendar period", and by removing "such quarter" and inserting in lieu thereof "such period".

(c) Paragraph (a)(3)(iii) is removed.

§ 25.2501-1 Imposition of tax.

(a) *In general.* (1) The tax applies to all transfers by gift of property, wherever situated, by an individual who is a citizen or resident of the United States, to the extent the value of the transfers exceeds the amount of the exclusions authorized by section 2503 and the deductions authorized by sections 2521 (as in effect prior to its repeal by the Tax Reform Act of 1976), 2522, and 2523. For each "calendar period" (as defined in § 25.2502-1(c)(1)), the tax described in this paragraph (a) is imposed on the transfer of property by gift during such calendar period.

* * * * *

Par. 4. Section 25.2502-1 is amended as follows:

(a) Paragraph (a) is revised to read as set forth below.

(b) Paragraph (b) is revised to read as set forth below.

(c) Paragraph (c) is revised to read as set forth below.

(d) Example (1) of paragraph (d) is revised to read as set forth below.

(e) Example (2) of paragraph (d) is amended by removing "in accordance with rate schedule in paragraph (b)" and inserting in lieu thereof "in accordance with the rate schedule in effect for the year 1955".

(f) Example (3) of paragraph (d) is amended by removing "using rate schedule in paragraph (b) of this section" each time it appears in Example (3) and inserting in lieu thereof "in accordance with the rate schedule in effect for the year 1955". Example (3)(i) is further amended by adding "provided under section 2521, which was in effect at the time," after "Only $25,000 of H's specific exemption".

(g) Example (4)(i) of paragraph (d) is amended by adding "provided under section 2521, which was in effect at the time," after "only $20,000 of her specific exemption".

(h) Example (5) of paragraph (d), is amended by removing "§ 25.2503-2(a)" and inserting in lieu thereof "§ 25.2503-2(b)", by removing "paragraph (a)(1)" and inserting in lieu thereof "paragraph (a)", by removing "preceding calendar years and calendar quarters" from the table and inserting in lieu thereof "preceding calendar periods", and by removing "in accordance with the rate schedule in paragraph (b)" from the table and inserting in lieu thereof "in accordance with the rate schedule in effect for the year 1971".

(i) Paragraph (d) is amended by adding a new example (6) immediately after example (5) to read as set forth below.

§ 25.2502-1 Rate of tax.

(a) *Computation of tax.* The rate of tax is determined by the total of all gifts made by the donor during the calendar period and all the preceding calendar periods since June 6, 1932. See § 25.2502-1(c)(1) for the definition of "calendar period" and § 25.2502-1(c)(2) for the definition of "preceding calendar periods." The following six steps are to be followed in computing the tax:

(1) *First step.* Ascertain the amount of the "taxable gifts" (as defined in

§ 25.2503–1) for the calendar period for which the return is being prepared.

(2) *Second step.* Ascertain "the aggregate sum of the taxable gifts for each of the preceding calendar periods" (as defined in § 25.2504–1), considering only those gifts made after June 6, 1932.

(3) *Third step.* Ascertain the total amount of the taxable gifts which is the sum of the amounts determined in the first and second steps.

(4) *Fourth step.* Compute the tentative tax on the total amount of taxable gifts (as determined in the third step) using the rate schedule in effect at the time the gift (for which the return is being filed) is made.

(5) Fifth step. Compute the tentative tax on the aggregate sum of the taxable gifts for each of the preceding calendar periods (as determined in the second step), using the same rate schedule set forth in the fourth step of this paragraph (a).

(6) *Sixth step.* Subtract the amount determined in the fifth step from the amount determined in the fourth step. The amount remaining is the gift tax for the calendar period for which the return is being prepared.

(b) *Rate of tax.* The tax is computed in accordance with the rate schedule in effect at the time the gift was made as set forth in section 2001(c) or corresponding provisions of prior law.

(c) *Definitions.* (1) The term "calendar period" means:

(i) Each calendar year for the calendar years 1932 (but only that portion of such year after June 6, 1932) through 1970;

(ii) Each calendar quarter for the first calendar quarter of the calendar year 1971 through the last calendar quarter of calendar year 1981; or

(iii) Each calendar year for the calendar year 1982 and each succeeding calendar year.

(2) The term "preceding calendar periods" means all calendar periods ending prior to the calendar period for which the tax is being computed.

(d) * * *

Example (1). Assume that in 1955 the donor made taxable gifts, as ascertained under the first step (paragraph (a)(2) of this section), of $62,500 and that there were no taxable gifts for prior years, with the result that the amount ascertainable under the third step is $62,500. Under the fourth step a tax is computed on this amount. Reference to the tax rate schedule in effect in the year 1955 discloses that the tax on this amount is $7,650.

* * * * *

Example (6). A makes gifts (other than gifts of future interests in property) during the calendar year 1982 of $160,000 to B and $100,000 to C. Two exclusions of $10,000 each are allowable, in accordance with the provisions of section 2503(b), which results in taxable gifts for 1982 of $240,000. In the first calendar quarter of 1978, A made taxable gifts totaling $100,000 on which gift tax was paid. For the calendar year 1969, A made taxable gifts totaling $50,000. The full amount of A's specific exemption provided under section 2521, which was in effect at the time, was claimed and allowed in 1968. The computation of the gift tax for the calendar period 1982 (following the steps set forth in paragraph (a) of this section) is shown below.

(1) Amount of taxable gifts for the calendar year 1982, $240,000.

(2) Total amount of taxable gifts for preceding calendar periods ($100,000 + $50,000), $150,000.

(3) Total taxable gifts, $390,000.

(4) Tax computed on item 3 (in accordance with the rate schedule in effect for the year 1982), $118,400.

(5) Tax computed on item 2 (using same rate schedule), $38,800.

(6) Tax for year 1982 (item 4 minus item 5), $79,600.

Par. 5. The fifth sentence of § 25.2502–2 is revised to read as set forth below.

§ 25.2502–2 Donor primarily liable for tax.

* * * If a husband and wife effectively signify consent, under section 2513, to have gifts made to a third party during any "calendar period" (as defined in § 25.2502–1(c)(1)) considered as made one-half by each, the liability with respect to the gift tax of each spouse for that calendar period is joint and several (see § 25.2513–4). * * *

* * * * *

Par. 6. Section 25.2503–1 is revised to read as set forth below.

§ 25.2503–1 General definitions of "taxable gifts" and of "total amount of gifts."

The term "taxable gifts" means the "total amount of gifts" made by the donor during the "calendar period" (as defined in § 25.2502–1(c)(1)) less the deductions provided for in sections 2521 (as in effect before its repeal by the Tax Reform Act of 1976), 2522, and 2523 (specific exemption, charitable, etc., gifts and the marital deduction, respectively). The term "total amount of gifts" means the sum of the values of the gifts made during the calendar period less the amounts excludable under section 2503(b). See § 25.2503–2. The entire value of any gift of a future interest in property must be included in the total amount of gifts for the calendar period in which the gift is made. See § 25.2503–3.

Par. 7. Section 25.2503–2 is amended as follows:

(a) Paragraphs (a) and (b) are redesignated as (b) and (c) respectively, and a new paragraph (a) is added immediately prior to redesignated paragraphs (b) and (c) to read as set forth below.

(b) Paragraph (b), as redesignated in this document, is amended by inserting "and before January 1, 1982" after "December 31, 1970".

§ 25.2503–2 Exclusions from gifts.

(a) *Gifts made after December 31, 1981.* The first $10,000 of gifts made to any one donee during calendar year 1982 or any calendar year thereafter except gifts of future interests in property as defined in §§ 25.2503–3, and 25.2503–4, is excluded in determining the total amount of gifts for the calendar year. In the case of a gift in trust the beneficiary of the trust is the donee.

* * * * *

Par. 8. Section 25.2503–3 is amended as follows:

(a) The first sentence of paragraph (a) is amended by removing "calendar quarter (calendar year in the case of gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" (as defined § 25.2502–1(c)(1))".

(b) The second sentence of paragraph (a) is removed.

Par. 9. Section 25.2504–1 is amended as follows:

(a) Paragraph (a) is revised to read as set forth below.

(b) Paragraph (b) is revised to read as set forth below.

(c) Paragraph (c) is revised to read as set forth below.

(d) The first sentence of paragraph (d) is revised to read as set forth below.

§ 25.2504–1 Taxable gifts for preceding calendar periods.

(a) In order to determine the correct gift tax liability for any calendar period it is necessary to ascertain the correct amount, if any, of the aggregate sum of the taxable gifts for each of the "preceding calendar periods" (as defined in § 25.2502–1(c)(2)). See paragraph (a) of § 25.2502–1. The term "aggregate sum of the taxable gifts for each of the preceding calendar periods" means the correct aggregate of such gifts, not necessarily that returned for those calendar periods and in respect of which tax was paid. All transfers that constituted gifts in prior calendar periods under the laws, including the provisions of law relating to exclusions from gifts, in effect at the time the transfers were made are included in determining the amount of taxable gifts for preceding calendar periods. The deductions other than for the specific exemption (see paragraph (b) of this section) allowed by the laws in effect at the time the transfers were made also

are taken into account in determining the aggregate sum of the taxable gifts for preceding calendar periods. (The allowable exclusion from a gift is $5,000 for years before 1939, $4,000 for the calendar years 1939 through 1942, $3,000 for the calendar years 1943 through 1981, and $10,000 thereafter.)

(b) In determining the aggregate sum of the taxable gifts for the "preceding calendar periods" (as defined in § 25.2502–1(c)(2)), the total of the amounts allowed as deductions for the specific exemption, under section 2521 (as in effect prior to its repeal by the Tax Reform Act of 1976) and the corresponding provisions of prior laws, shall not exceed $30,000. Thus, if the only prior gifts by a donor were made in 1940 and 1941 (at which time the specific exemption allowable was $40,000), and if in the donor's returns for those years the donor claimed deductions totaling $40,000 for the specific exemption and reported taxable gifts totaling $110,000, then in determining the aggregate sum of the taxable gifts for the preceding calendar periods: the deductions for the specific exemption cannot exceed $30,000, and the donor's taxable gifts for such periods will be $120,000 (instead of the $110,000 reported on the donor's returns). (The allowable deduction for the specific exemption was $50,000 for calendar years before 1936, $40,000 for calendar years 1936 through 1942, and $30,000 for 1943 through 1976.)

(c) If the donor and the donor's spouse consented to have gifts made to third parties considered as made one-half by each spouse, pursuant to the provisions of section 2513 or section 1000(f) of the Internal Revenue Code of 1939 (which corresponds to Section 2513), these provisions shall be taken into account in determining the aggregate sum of the taxable gifts for the preceding calendar periods (under paragraph (a) of this section).

(d) If interpretations of the gift tax law in preceding calendar periods resulted in the erroneous inclusion of property for gift tax purposes that should have been excluded, or the erroneous exclusion of property that should have been included, adjustments must be made in order to arrive at the correct aggregate of taxable gifts for the preceding calendar periods (under paragraph (a) of this section). * * *

Par. 10. Section 25.2504–2 is revised to read as set forth below.

§ 25.2504–2 Valuation of certain gifts for preceding calendar periods.

Section 2504(c) provides that if the valuation of a transfer for gift tax purposes with respect to a gift made in a "preceding calendar period," as defined in § 25.2502–1(c)(2), is at issue, and if the statutory period within which an assessment may be made with respect to the gift has expired and a tax has been actually assessed or paid for such prior calendar period, then the value of the gift, for purposes of arriving at the correct amount of the taxable gifts for the preceding calendar periods (under § 25.2504–1(a)), is the value that was used in computing the tax for the last preceding calendar period for which a tax was assessed or paid under chapter 12 of the Internal Revenue Code of 1954 or the corresponding provisions of prior laws. However, this rule will not prevent an adjustment in value where no tax was paid or assessed for the prior calendar period. Furthermore, this rule does not apply to adjustments involving issues other than valuation. See paragraph (d) of § 25.2504–1.

§ 25.2511–1 [Amended]

Par. 11. Section 25.2511–1 is amended as follows:

(a) The second sentence of paragraph (d) is amended by removing "calendar quarter (or calendar year)" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

(b) The last sentence of paragraph (d) is removed.

§ 25.2511–2 [Amended]

Par. 12. Section 25.2511–2 is amended as follows:

(a) The third from last sentence of paragraph (f) is amended by removing "calendar quarter or calendar year" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

(b) The next to last sentence of paragraph (f) is removed.

(c) The first sentence of paragraph (j) is amended by removing "calendar quarter or calendar year" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

(d) The last sentence of paragraph (j) is removed.

Par. 13. Section 25.2513–1 is amended as follows:

(a) The second sentence of paragraph (a) is amended by removing "calendar quarter (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

(b) The last sentence of paragraph (a) is removed.

(c) The first sentence of paragraph (b) is amended by removing "calendar quarter (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1)", and by removing "calendar quarter (or calendar year)" and inserting in lieu thereof "calendar period".

(d) The third sentence of paragraph (b) is amended by removing "calendar quarter (or calendar year)" and inserting in lieu thereof "calendar period" and by removing "calendar quarter or calendar year" and inserting in lieu thereof "calendar period".

(e) Paragraph (b)(1) is amended by removing "calendar quarter or calendar year" each time it appears and inserting in lieu thereof "calendar period".

(f) Paragraph (b)(2) is amended by removing "calendar quarter or calendar year" each time it appears and inserting in lieu thereof "calendar period".

(g) Paragraph (b)(5) is amended by removing "calendar quarter or calendar year" each time it appears and inserting in lieu thereof "calendar period".

(h) Paragraph (c) is revised to read as set forth below.

§ 25.2513–1 Gifts by husband or wife to third party considered as made one-half by each.

* * * * *

(c) If a husband and wife consent to have the gifts made to third party donees considered as made one-half by each spouse, and only one spouse makes gifts during the "calendar period" (as defined in § 25.2502–1(c)(1)), the other spouse is not required to file a gift tax return provided: (1) The total value of the gifts made to each third party donee since the beginning of the calendar year is not in excess of $20,000 ($6,000 for calendar years prior to 1982), and (2) no portion of the property transferred constitutes a gift of a future interest. If a transfer made by either spouse during the calendar period to a third-party represents a gift of a future interest in property and the spouses consent to have the gifts considered as made one-half by each, a gift tax return for such calendar period must be filed by each spouse regardless of the value of the transfer. (See § 25.2503–3 for the definition of a future interest.)

* * * * *

§ 25.2513–2 [Amended]

Par 14. Section 25.2513–2 is amended as follows:

(a) The first sentence of paragraph (a)(1) is amended by removing "calendar quarter (a calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

(b) The next to last sentence of paragraph (a)(1) is amended by removing "calendar quarter (or a calendar year)" and inserting in lieu thereof "calendar period".

(c) The last sentence of paragraph (a)(1) is amended by removing "§ 25.6075–1" and inserting in lieu thereof "§§ 25.6075–1 and 25.6075–2".

(d) The first sentence of paragraph (a)(2) is amended by inserting "For gifts made after December 31, 1970, and before January 1, 1982," prior to "Subject to the limitations", and by removing "Subject" and inserting "subject".

(e) Paragraph (b) is amended by redesignating paragraph (b)(1) as paragraph (b)(2) and paragraph (b)(2) as (b)(1) and by placing redesignated paragraph (b)(2) immediately following redesignated paragraph (b)(1).

(f) The first sentence of paragraph (b)(1), as redesignated by this document, is amended by removing "With respect to gifts made before January 1, 1971" and inserting in lieu thereof "With respect to gifts made after December 31, 1981, or before January 1, 1971".

(g) The first sentence of paragraph (b)(2), as redesignated by this document is amended by removing "With respect to gifts made after December 31, 1970" and inserting in lieu therefore "With respect to gifts made after December 31, 1970 and before January 1, 1982".

(h) Paragraph (d) is amended by removing "calender quarter (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

§ 25.2513–3 [Amended]

Par. 15. Section 25.2513–3 is amended as follows:

(a) Paragraph (a) is amended by redesignating paragraph (a)(1) as paragraph (a)(2) and paragraph (a)(2) as (a)(1) and by placing redesignated paragraph (a)(2) immediately following redesignated paragraph (a)(1).

(b) The first sentence of paragraph (a)(1), as redesignated by this document, is amended by removing "With respect to gifts made before January 1, 1971" and inserting in lieu thereof "With respect to gifts made after December 31, 1981, or before January 1, 1971".

(c) The first sentence of paragraph (a)(2), as redesignated by this document, is amended by removing "With respect to gifts made after December 31, 1970" and inserting in lieu thereof "With respect to gifts made after December 31, 1970, as before January 1, 1982".

(d) The last sentence of paragraph (a)(2), as redesignated by this document, is removed.

§ 25.2513—4 [Amended]

Par. 16. Section 25.2513–4 is amended as follows:

(a) The first sentence is amended by removing "calendar quarter (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" " (as defined in § 25.2502–1(c)(1))".

(b) The last sentence is removed.

§ 25.2514–3 [Amended]

Par. 17. Section 25.2514–3 is amended as follows:

(a) The next to last sentence of paragraph (c)(2) is amended by removing "calendar year or calendar quarter" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

(b) The last sentence of paragraph (c)(2) is removed.

§ 25.2516–1 [Amended]

Par. 18. Section 25–2516–1 is amended as follows:

(a) The first sentence of paragraph (b) is amended by removing "calendar quarter (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1))".

(b) The last sentence of paragraph (b) is removed.

§ 25.2517–1 [Amended]

Par. 19. Section 25.2517–1 is amended as follows:

(a) The next to last sentence of paragraph (a)(1) is amended by removing "calendar quarter (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof " "calendar period" (as defined in § 25.2502–1(c)(1)".

(b) The last sentence of paragraph (a)(1) is removed.

§ 25.2522(a)–1 [Amended]

Par. 20. The first sentence of paragraph (a) of § 25.2522(a)–1 is amended by removing "in determining the amount of taxable gifts for the calendar quarter as defined in § 25.2502–1(c)(1) (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof "In determining the amount of taxable gifts for the "calendar period" (as defined in § 25.2502–1(c)(1))", and by removing "calendar quarter or calendar year" and inserting in lieu thereof "calendar period".

§ 25.2524–1 [Amended]

Par. 21. Section 25.2524–1 is amended by removing "calendar quarter (with respect to gifts made after December 31, 1970) or calendar year (with respect to gifts made before January 1, 1971)" and inserting in lieu thereof "calendar period" (as defined in § 25.2502–1(c)(1))". Section 25.2524–1 is further amended by adding ",which was in effect at the time" following "section 2521" within the parenthesis, in the second sentence.

§ 25.6075–1 [Amended]

Par. 22. (a) Section 25.6075–1 is redesignated as § 25.6075–2 and a new § 25.6075–1 to read as set forth below is added immediately following § 25.6065–1.

(b) Section 25.6075–2, as redesignated by this document, is amended as follows:

(1) The heading of § 25.6075–2, as redesignated in this document, is amended by removing "after December 31, 1976" and inserting in lieu thereof "after December 31, 1976, and before January 1, 1982".

(2) Paragraph (a)(2)(ii) is amended by removing "For gifts made on or after January 1, 1979" and inserting in lieu thereof "For gifts made after December 31, 1978, and before January 1, 1982".

(3) Paragraph (b)(2)(ii) is amended by removing "For gifts made on or after January 1, 1979" and inserting in lieu thereof "For gifts made after December 31, 1978, and before January 1, 1982".

(4) Paragraph (e) is amended by removing "December 31, 1976" and inserting in lieu thereof "December 31, 1976, and before January 1, 1982".

§ 25.6075–1 Returns, time for filing gift tax returns for gifts made after December 31, 1981.

(a) *In general.* Except as provided in paragraphs (b) (1) and (2) of this section, a return required to be filed under section 6019 for gifts made after December 31, 1981, must be filed on or before the 15th day of April following the close of the calendar year in which the gift was made.

(b) *Special rules*—(1) *Extensions.* Except as provided in paragraph (b)(2) of this section, if a taxpayer files an income tax return on the calendar year basis and the taxpayer is granted an extension of time for fiing the return of income tax imposed by Subtitle A of the Internal Revenue Code, then such taxpayer shall also be deemed to have been granted an extension of time for filing the gift tax return under section 6019 for such calendar year equal to the extension of time granted for filing the income tax return. See section 6081 and the regulations thereunder for rules relating to extension of time for filing returns.

(2) *Death of donor.* Where a gift is made during the calendar year in which the donor dies, the time for filing the return made under section 6019 shall not be later than the time (including extensions) for filing the return made under section 6018 (relating to estate tax returns) with respect to such donor. In addition, should the time for filing the estate tax return fall later than the 15th day of April following the close of the calendar year, the time for filing the gift tax return shall be on or before the 15th day of April following the close of the calendar year, unless an extension (not extending beyond the time for filing the estate tax return) was granted for filing the gift tax return. If no estate tax return is required to be filed, the time for filing the gift tax return shall be on or before the 15th day of April following the close of the calendar year, unless an extension was granted for filing the gift tax return.

(c) Paragraphs (a) and (b) may be illustrated by the following examples.

Example (1). Donor makes a taxable gift on April 1, 1982, for which a return must be made under section 6019. Donor files the income tax return on the calendar year basis. The donor was granted a 4-month extension from April 15, 1983 to August 15, 1983, in which to file the 1982 income tax return. Under these circumstances, the donor is not required to file the gift tax return prior to August 15, 1983. See paragraph (b)(1) of this section.

Example (2). Donor makes a taxable gift on April 1, 1982, for which a return must be made under section 6019. The donor dies on May 1, 1982. Under these circumstances, since the due date for filing the estate tax return, February 1, 1983 (assuming an estate tax return under 6018 was required to be filed), falls prior to the due date for the gift tax return (as specified in section 6075(b)(1)), the last day for filing the gift tax return is February 1, 1983. See paragraph (b)(2) of this section.

Example (3). The facts are the same as in example (2), except the donor dies on November 30, 1982. Although the estate tax return if due on or before August 30, 1983, the last day for filing the gift tax return is April 15, 1983. See paragraph (b) of this section.

Example (4). The facts are the same as in example (3), except that the executor receives a 4-month extension for filing the decedent's income tax return. Under these circumstances, the last day for filing the gift tax return is August 15, 1983. See paragraphs (b) (1) and (2) of this section.

Example (5) The facts are the same as in example (3), except that the donor-decedent receives an extension of 6 months for filing the gift tax return. See section 6081 and § 25.6081. Since section 6075(b)(3) and § 25.6075–2(b) provide that the time for filing the gift tax return made under section 6019 shall not be later than the time (including extensions) for filing the estate tax return made under section 6018, the last day for filing the gift tax return is August 30, 1983.

(d) See section 7503 and § 301.7503–1 concerning the timely filing of a return that falls due on a Saturday, Sunday of legal holiday. As to additions to the tax for failure to file the return within the prescribed time, see section 6651 and § 301.6651–1.

PART 301—[AMENDED]

Par. 23. Paragraph (c) of § 301.6212–1 is amended by removing "calendar quarter (calendar year with respect to gifts made before January 1, 1971)" and inserting in lieu thereof "calendar period" (as defined in § 25.2502–1(c)(1))".

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].

Roscoe L. Egger, Jr.,
Commissioner of Internal Revenue.

Approved: August 19, 1983.

Ronald A. Pearlman,
Acting Assistant Secretary of the Treasury.

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26 CFR Part 301

[T.D. 7911]

Disclosures of Returns and Return Information to Officers and Employees of Department of Labor and Pension Benefit Guaranty Corporation

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to disclosures of returns and return information to officers and employees of the Department of Labor and the Pension Benefit Guaranty Corporation for purposes of administering titles I and IV of the Employee Retirement Income Security Act of 1974 ("ERISA"). These regulations affect disclosures of returns and return information under section 6103(l)(2) of the Internal Revenue Code of 1954 and provide Internal Revenue Service personnel with the guidance needed to comply with the law.

DATES: These amendments are to be effective with respect to disclosures of returns and return information made after September 7, 1983.

FOR FURTHER INFORMATION CONTACT: Mitchell H. Rapaport of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, D.C. 20224, attention: CC:LR:T (202–566–3288).

SUPPLEMENTARY INFORMATION:

Background

On August 3, 1982, the **Federal Register** published proposed amendments to the Regulations on Procedure and Administration (26 CFR Part 301) under section 6103 of the Internal Revenue Code of 1954 (47 FR 33519). These amendments were proposed to make revisions in the manner in which the Internal Revenue Service may disclose additional tax information to the Department of Labor and the Pension Benefit Guaranty Corporation which may be necessary to administer title I or IV of ERISA. No written comments responding to this notice were received, and no public hearing was requested or held. Those proposed amendments are adopted as revised by this Treasury decision.

Explanation of Provisions

ERISA, enacted in 1974, imposes upon three agencies, the Department of Labor, the Pension Benefit Guaranty Corporation, and the Internal Revenue Service, the responsibility for its administration. Because these statutory administrative responsibilities involve a high degree of coordinated effort and cooperation among these agencies, often involving exchanges of information, section 1022(h) of ERISA amended section 6103 of the Internal Revenue Code to authorize the Service to disclose tax information to the Department of Labor and the Pension Benefit Guaranty Corporation for purposes of administering titles I and IV of ERISA. When section 6103 was revised by the Tax Reform Act of 1976, this disclosure authority was provided in what is now section 6103(l)(2).

These regulations would permit the Service, in connection with the automatic disclosure of any item within 27 specifically described categories of returns and return information, to voluntarily disclose to the Department of Labor and the Pension Benefit Guaranty Corporation such additional tax information as the Service determines is or may be necessary in the administration of title I or IV of ERISA. This additional disclosure would be permitted only where the Commissioner has received an annual written request for such disclosure from the Secretary of Labor or his delegate or the Executive Director of the Pension Benefit Guaranty Corporation or his delegate. This additional disclosure authority would enhance the coordination of the various administration responsibilities imposed