versities (and their wholly-owned corporations) that receive determination letters confirming that they are exempt under section 501(a) as organizations described in section 501(c)(3) are subject to UBIT under section 511(a)(2)(A), and possibly also under section 511(a)(2)(B).

Section 6104(d)(1)(A)(ii), as enacted, requires disclosure by all organizations that are exempt from tax under section 501(a) that are described in section 501(c)(3). The statute does not provide an exception for organizations that also benefit from the income exclusion provided by section 115. Thus, the statute requires that state colleges and universities that have been recognized by the IRS as exempt under section 501(a) as organizations described in section 501(c)(3), disclose Form 990–T to the public. However, the statute does not require state colleges and universities that are subject to tax under section 511(a) solely by virtue of section 511(a)(2)(B), and that have not been recognized by the IRS as exempt under section 501(a) as organizations described in section 501(c)(3), to make public their Forms 990–T.

The guidelines on making annual returns available for public inspection set forth in section 301.6104(d)–1 of the regulations generally apply, except that for purposes of section 6104(d)(1)(A)(ii), the definition of "annual information return" in section 301.6104(d)–1(b)(4)(i) includes an exact copy of the Form 990–T filed by a charity with the IRS after August 17, 2006, including all schedules, attachments, and supporting documents, and the exclusion of the Form 990–T from that definition in section 301.6104(d)–1(b)(4)(ii) does not apply.

Charities that make their Form 990–T widely available in accordance with the provisions in section 301.6104(d)–2 of the regulations do not need to comply with an individual request for a copy of such return, though they still must make such return available for public inspection. The widely available exception requires that the Form 990–T be posted in a format that exactly reproduces the image of the return as it was originally filed with the IRS after August 17, 2006, including all schedules, attachments, and supporting documents. For instance, the organization will be treated as having made its Form 990–T for a given year widely available if it posts its Form 990–T as a PDF file on the organization's website.

The provisions of section 301.6104(d)–3 are applicable to a request for a charity's Form 990–T that is part of a harassment campaign. An organization that believes that the requests for Form 990–T are part of a single coordinated effort to disrupt the operations of the tax-exempt organization, rather than to collect information about the organization, may apply for a determination from the IRS that the organization is the subject of a harassment campaign and suspend compliance with the requests for copies of Form 990–T, provided that it files the request for determination with 10 business days of the suspension. The IRS's determination that the organization is the subject of a harassment campaign allows an organization not to comply with any requests for copies of Form 990–T that it reasonably believes are part of the campaign.

SECTION 4. EXCEPTION WHERE FORM 990–T USED SOLELY TO REQUEST TELEPHONE EXCISE TAX REFUND

For 2006, exempt organizations must use Form 990–T if they wish to request a refund of telephone excise tax paid after February 28, 2003, and before August 6, 2006. See Notice 2006–50, 2006–25 I.R.B. 1141, for more information regarding the telephone tax refund.

A charity that files a Form 990–T solely to request a refund of the federal telephone excise tax is not required to make that Form 990–T available for public inspection and copying. However, if a charity files a Form 990–T to request a refund of the federal telephone excise tax and to report unrelated business taxable income under section 511, the charity is required to make that Form 990–T available for public inspection and copying in its entirety.

SECTION 5. REQUEST FOR COMMENTS

The IRS and the Treasury Department invite comments on implementation of the public inspection requirement of section 6104(d)(1)(A)(ii). Comments are requested specifically on the application of the public inspection requirement of section 6104(d)(1)(A)(ii) to organizations that are exempt from Federal income tax under section 501(a) and described in section 501(c)(3), that may also exclude their income from gross income under section 115(1) or other legal principles.

Comments should refer to Notice 2007–45 and be submitted by June 30, 2007, to:

Internal Revenue Service
CC:PA:LPD:PR (Notice 2007–45)
Room 5203
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4:00 p.m. to:

Courier's Desk
Internal Revenue Service
1111 Constitution Ave., N.W.
Washington, DC 20224
Attn: CC:PA:LPD:PR
(Notice 2007–45)

Alternatively, taxpayers may submit comments electronically to *notice.comments@irscounsel.treas.gov*. Please include "Notice 2007–45" in the subject line of any electronic communications.

All comments will be available for public inspection and copying.

SECTION 6. DRAFTING INFORMATION

The principal author of this notice is Mary Jo Salins of the Exempt Organizations, Tax Exempt and Government Entities Division. For further information regarding this notice, contact Ms. Salins at (202) 283–9453 (not a toll-free call).

Gaming Industry Tip Compliance Agreement Program

Rev. Proc. 2007–32

SECTION 1. PURPOSE

The Gaming Industry Tip Compliance Agreement Program (GITCA Program) is designed to promote compliance by gaming industry employers and employees

with the provisions of the Internal Revenue Code relating to tip income and to reduce disputes under section 3121(q).

The GITCA Program was established by Revenue Procedure 2003–35, 2003–1 C.B. 919, in May 2003. This revenue procedure provides an updated model Gaming Industry Tip Compliance Agreement for use by the Internal Revenue Service and gaming industry employers. The new model agreement has been revised to enhance administration of the GITCA Program by both the employers and the Service and to facilitate and promote the use of current financial information technology in the tip reporting process.

SECTION 2. OVERVIEW

Under the GITCA Program, a gaming industry employer and the Internal Revenue Service work together to reach a Gaming Industry Tip Compliance Agreement that establishes minimum tip rates for tipped employees in specified occupational categories, prescribes a threshold level of participation by the employer's employees, and reduces compliance burdens for the employer and enforcement burdens for the Service.

SECTION 3. EMPLOYER PARTICIPATION

.01 With the consent of the Service, all employers operating a gaming establishment may participate in the GITCA Program. Either the Service or an employer may suggest the employer's potential participation in the program.

.02 The Service's decision to refuse participation by any employer in this program is not subject to review.

SECTION 4. GAMING INDUSTRY TIP COMPLIANCE AGREEMENTS

.01 To participate in this program, an employer must execute a Gaming Industry Tip Compliance Agreement. The Gaming Industry Tip Compliance Agreement shall conform to all requirements of this revenue procedure and will use the form appended to this revenue procedure as Exhibit 1.

.02 An executed Gaming Industry Tip Compliance Agreement shall supersede all existing tip compliance agreements between an employer and the Service. A gaming industry employer under any existing tip compliance agreement with the Service, including a Tip Rate Determination Agreement, may request to change to a Gaming Industry Tip Compliance Agreement.

.03 In general, Gaming Industry Tip Compliance Agreements shall be for a term of three years. For new properties and for properties that do not have a prior agreement with the Service, however, the initial term of the Agreement may be for a shorter period.

.04 All Gaming Industry Tip Compliance Agreements may be renewed for additional terms of up to three years, in accordance with Section IX of the model Gaming Industry Tip Compliance Agreement. Beginning not later than six months prior to the termination date of a Gaming Industry Tip Compliance Agreement, the Service and the employer shall commence discussions as to any appropriate revisions to the agreement, including any appropriate revisions to the tip rates described in Section VIII of the model Gaming Industry Tip Compliance Agreement. In the event that the Service and the employer have not reached final agreement on the terms and conditions of a renewal agreement, the parties may, by mutual agreement, extend the existing agreement for an appropriate time to finalize and execute a renewal agreement.

.05 Decisions regarding renewal of a Gaming Industry Tip Compliance Agreement are not subject to review.

SECTION 5. DEEMED COMPLIANCE WITH SECTION 6053

An employer who complies with the reporting requirements of Section V of its Gaming Industry Tip Compliance Agreement, and participating employees of the employer who report in accordance with the agreement, will be deemed to be in compliance with the reporting requirements of section 6053 of the Internal Revenue Code for the taxable periods during which the agreement remains in effect.

SECTION 6. EFFECTIVE DATE

This revenue procedure is effective May 2, 2007.

SECTION 7. EFFECT ON OTHER DOCUMENTS

Revenue Procedure 2003–35 is superseded. All Gaming Industry Tip Compliance Agreements executed pursuant to Revenue Procedure 2003–35 will remain in effect until the expiration date set forth in that Agreement, unless superseded by the execution of a Gaming Industry Tip Compliance Agreement under section 4.02 of this revenue procedure.

SECTION 8. PAPERWORK REDUCTION ACT

The collection of information contained in this revenue procedure has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. § 3507) under control number 1545–1530. This control number was received under preceding Revenue Procedure 2003–35 and was renewed in June 2006. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collection of information in this revenue procedure is in the section titled GAMING INDUSTRY TIP COMPLIANCE AGREEMENTS. This information is required to evaluate the suitability of the GITCA Program for the particular taxpayer and to assess the validity of the proposed tip rates. The collection of information is required to obtain the benefits described in this revenue procedure. The likely respondents are businesses or other for-profit institutions.

The estimated total annual reporting burden under this revenue procedure has been reduced from the burden under Revenue Procedure 2003–35. Under this revenue procedure, the estimated total annual reporting burden is 5,000 hours.

The estimated annual burden per respondent is an average of 10 hours, depending on individual circumstances. The estimated number of respondents is 500.

The estimated frequency of responses is 1 time per year per respondent.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue

law. Generally tax returns and return information are confidential, as required by 26 U.S.C. § 6103.

SECTION 9. DRAFTING AND CONTACT INFORMATION

The principal author of this revenue procedure is Jason Spitzer of the Office of Associate Chief Counsel (Procedure & Administration). For further information about this revenue procedure, contact Jason Spitzer at (202) 622–7950 (not a toll-free number) or by email at *jason.a.spitzer@irscounsel.treas.gov*. For inquiries into participating in the GITCA Program or for questions about the program, contact the office of the Chief, Employment Tax, Specialty Programs, at 202–283–2438 (not a toll-free number).

Exhibit 1

Gaming Industry Tip Compliance Agreement

I. PARTIES

The parties to this Agreement are _____ (hereinafter "Employer") and the Commissioner of the Internal Revenue Service (hereinafter "Service"; collectively "the Parties"). This Agreement will establish tip rates for all Participating Employees of the Employer. This Agreement is pursuant to Revenue Procedure 2007–XX.

II. APPENDICES

The Parties have agreed to:

A. The Occupational Categories, shifts, outlets, and tip rates for all participating employees of the Employer, set forth in Appendix A;

B. A Narrative Summary of Tip Rate Calculation Methodology (specific to the Employer), set forth in Appendix B;

C. The Model Gaming Employee Tip Reporting Agreement, set forth in Appendix C;

D. The Model Extension Agreement set forth in Appendix D;

E. The Employer-Computed Tip Reporting Process Certification Form, set forth in Appendix E (but only if the Employer uses an Employer-Computed Tip Reporting Process to compute and report the tips of Participating Employees as described in Section V.J of this Agreement); and

F. The GITCA Contact Listing for both the Service and the Employer, set forth in Appendix F.

III. INTENDED BENEFICIARIES

The Participating Employees of the Employer are intended beneficiaries of this Agreement.

IV. EMPLOYEE PARTICIPATION

A. For purposes of this Agreement, an "Eligible Employee" means an individual employed by the Employer who:

(1) performs a job function in an Occupational Category described in Appendix A of this Agreement; and

(2) regularly and routinely receives tips, directly or indirectly, of at least $20 per month during the course of the individual's employment.

B. A "Participating Employee" is an Eligible Employee who:

(1) filed, if required to do so by law, federal income tax returns for the three taxable years that precede the Effective Date of this Agreement or, if the employee has not yet filed, files these returns prior to signing the Model Gaming Employee Tip Reporting Agreement provided in Appendix C of this Agreement;

(2) gives to the Employer a signed Model Gaming Employee Tip Reporting Agreement;

(3) either (i) reports and continues to report tips to the Employer at or above the "tip rates" set forth in Section VIII of this Agreement, or (ii) works for an Employer that utilizes an Employer-Computed Tip Reporting Process to compute and report the tips of Participating Employees for the taxable year as described in Section V.J of this Agreement, and

(4) timely files federal income tax returns that report those tips.

C. A Participating Employee who revokes the election under the Model Gaming Employee Tip Reporting Agreement to participate in the tip reporting program under this Agreement must begin reporting tips to the Employer effective on the first day of the next payroll period, as provided by section 6053 of the Internal Revenue Code and shall be treated as a Nonparticipating Employee for the entire taxable year in which the revocation occurred. The Employee may not enter into a new Model Gaming Employee Tip Reporting Agreement with the Employer until January 1 of the following taxable year.

D. If a Participating Employee reports tips to his or her Employer in an amount below the tip rate set forth in Section VIII of this Agreement, the employee will be deemed to have revoked his or her election under the Model Gaming Employee Tip Reporting Agreement and will be treated as specified in paragraph C of this section.

E. An Eligible Employee who has filed federal income tax returns for the three taxable years that precede the Effective Date of this Agreement but has not fully paid the tax liability reported on the returns, or has additional tax liability due to, for example, a completed examination of the returns or the filing of amended returns, may participate in this program. To participate, however, the employee must contact the local office of the Service within the later of 60 days of electing to become a Participating Employee under this Agreement or 60 days of commencing employment to resolve the tax liability.

F. For purposes of this Agreement, a "Nonparticipating Employee" is any Eligible Employee who does not meet the definition of a Participating Employee.

G. An employee may report tips on the employee's federal income tax return below the tip rates if the employee can substantiate, with adequate books and records, that the employee earned less tip income than would be reflected by applying the tip rates. As indicated in Section IV.D., this employee would be considered a Nonparticipating Employee.

V. EMPLOYER PROGRAM

A. The Employer agrees to encourage all of its Eligible Employees to become Participating Employees and to sign the Model Gaming Employee Tip Reporting Agreement, attached as Appendix C. The Employer agrees to keep these agreements for at least the period of limitation on assessment of employment tax for the years in which this Agreement is in effect and to make the agreements available to the Service upon request.

B. The Employer shall withhold and pay tax based upon tips reported, as required by law.

C. The Employer shall include all reported tips on Forms W–2.

D. The Employer acknowledges that the Service has authority, including the issuance and enforcement of summonses pursuant to sections 7602, 7604, and 7609 of the Code, to secure the information necessary for the Service to develop the tip rates of Nonparticipating Employees.

E. The Employer shall maintain the following records, to be made available to the Service upon request:

(1) Employee Records. For each Eligible Employee, the Employer will maintain a record of the employee's name and social security number; the date on which the employee was hired by the Employer; the employee's Occupational Category or Categories, as set forth in Appendix A; the employee's reported tips; the employee's shift(s) and hours; outlet(s) worked; and the employee's wages.

(2) Gaming Establishment Records. For each instance of toke and chip-cashing, where the information is in the possession or control of the Employer, the Employer will maintain a record of the dollar amount of tokes and chips presented to the Employer for cashing by the toke committee (or other representatives of Eligible Employees), a list of the tip splits furnished to the Employer by its Eligible Employees or the toke committee (or other representatives of Eligible Employees), and other separate records of the amounts presented to the Employer for cashing by the toke committee. The Service acknowledges that the records of the toke committee reflecting the actual division of tips may not be in the Employer's possession or control.

(3) Food and Beverage Operations Records. If the Occupational Categories set forth in Appendix A include food or beverage servers, the Employer will maintain gross receipts subject to food or beverage tipping, and aggregate receipts showing charged tips.

(4) Tip Rates Records. The Employer will maintain any other records relevant to determining tip rates, as may be required by other governmental agencies.

The Employer must retain the records listed in this section for at least 4 years after April 15 following the calendar year to which the records relate.

F. The Employer shall furnish to the Service the following documents:

(1) Annual Report. An annual report showing the following information for each Nonparticipating Employee:

a. The employee's name and social security number;

b. Occupational Category or Categories;

c. shift(s) and hours;

d. outlet(s) worked;

e. wages and reported tips; and

f. total hours worked in each applicable Occupational Category, shift, and outlet.

Tips reported to the Employer by a Nonparticipating Employee do not need to be segregated by outlet.

The report is due on or before March 31 of the year after the calendar year, or any portion thereof, during which this Agreement was in effect.

(2) Additional Annual Report. Unless an Employer uses an Employer-Computed Tip Reporting Process (as described in Section V.J and as certified under Appendix E) to compute and report the tips of Participating Employees, the Employer must furnish an additional annual report showing for each Participating Employee the information described in paragraph F(1) of this section. The report is due on or before March 31 of the year after the calendar year, or any portion thereof, during which this Agreement was in effect.

(3) Additional Information — Food & Beverage Establishments. If the Occupational Categories listed in Appendix A include employees of large food and beverage establishments as defined in section 6053(c)(4) of the Code, the Employer shall provide annually to the Service, on or before the Form 8027 filing date, the following information:

a. the gross receipts subject to food and beverage tipping;

b. the aggregate amount of charge receipts attributable to such gross receipts;

c. the aggregate amount of charged tips shown on the charge receipts;

d. the sum of (i) the aggregate amount of tips reported by Nonparticipating Employees to the Employer and (ii) the amount the Employer is required to report under section 6051 of the Code with respect to service charges of less than 10 percent; and

e. the amount allocated to each Nonparticipating Employee under section 6053(c)(3) of the Code.

(4) Allocated Tips Reporting Requirements. The Employer shall report on Forms W–2 issued to Nonparticipating Employees tips allocated pursuant to section 6053 of the Code. The Employer is not required to report allocated tips on Forms W–2 issued to Participating Employees. In addition, the Employer is not required to complete the portion of Form 8027 related to tip allocations to Participating Employees.

(5) Time and Attendance System/Payroll Processing System Report. For each calendar year, the Employer shall provide a report generated from the Employer's time-and-attendance system or payroll processing system that evidences the tip rates utilized by the Employer in the preparation of the Forms W–2 and to implement this Agreement. The report will contain information showing the tip rates for each Occupational Category, shift, and outlet. The report will include the total number of the Employer's Eligible Employees as of December 31. The report is due on or before March 31 of the year after the calendar year, or any portion thereof, during which this Agreement was in effect.

G. If the Employer complies with the terms of this Agreement with respect to its Participating Employees, provides the information described in paragraph F(1) of this section with respect to its Nonparticipating Employees on Forms 8027 (or the equivalent information in an alternate form deemed acceptable by the Service) and Forms W–2, and provides the information specified in Paragraph F (3), the Employer shall be deemed to satisfy the requirement that the Employer prepare and file Forms 8027 with respect to all of its Employees.

H. If the Employer fails to maintain or provide any material information in the manner described in paragraphs E and F of this section, following notice and demand to the Employer for the information, the Service may employ any lawful means, including the issuance and enforcement of summonses pursuant to sections 7602, 7604, and 7609 of the Code, in order to secure that information.

I. In the event of a material breach by the Employer of its obligation to maintain or provide the information described in paragraphs E and F of this section that continues following notice and demand for the information by the Service, the restrictions in Section VII.A on methods of determination of additional liabilities under section 3121(q) of the Code shall be deemed to be waived by the Employer and shall be inapplicable for all taxable periods occurring after the date of the material breach, and the Service shall be permitted to determine employer liability by any lawful means.

J. For purposes of this Agreement, the term "Employer-Computed Tip Reporting Process" means a process established, maintained, and controlled by the Employer under which the time-and-attendance and payroll processing systems used for operation and management of the Employer's business are applied by the Employer during the term of this Agreement to compute, without intervention by the employee, the tips reportable in respect of each Participating Employee by:

(1) tracking and reporting each Participating Employee's Occupational Category or Categories, shift(s), outlet(s), and hours worked at each Occupational Category, shift, and outlet to which the Participating Employee is assigned during a particular workday;

(2) subjecting this information to review and validation by the Employer's management in the ordinary course of business operations for independent business purposes;

(3) recording and preserving this information as part of the Employer's time-and-attendance or payroll processing systems or in other applicable and available business records of the Employer;

(4) applying the tip rates applicable under this Agreement to the Participating Employee's work assignments by multiplying the tip rates by the total hours worked by the Participating Employee at each Occupational Category, shift, and outlet worked during the particular workday or payroll cycle (or in the case of amounts described in Section V.E(2), determining reportable tips utilizing the list of tip splits as determined by the toke committee (or other representatives of Eligible Employees as provided in Section V.E(2) of this Agreement);

(5) treating the tip amounts computed under paragraph (4) as tips reported to the Employer by the Participating Employee and withholding and paying applicable taxes on the computed tips; and

(6) reporting the tips as determined by the Employer to the Participating Employee and the Service on Form W–2 for the taxable year.

K. The Employer's process shall qualify as an Employer-Computed Tip Reporting Process under this Agreement upon the certification of the Employer, with the concurrence of the Service (which shall not be unreasonably withheld), that the process satisfies the requirements of paragraph J of this section. Qualification may be subsequently reviewed by the Service in conjunction with the renewal of this Agreement. Nothing in this section limits the Service's ability to perform a Compliance Review at any time of any underlying data per Section XIII.

VI. TIP EXAMINATIONS OF EMPLOYEES

A. Except as provided in paragraph B. of this section, the Service will not examine a Participating Employee's tip income for any taxable year that ends after the Effective Date of this Agreement to which this Agreement applies, provided that each of the following conditions is met:

(1) The employee is a Participating Employee for the entire taxable year (or such portion thereof during which the employee earns tip income). In the case of a new employee, he or she must become a Participating Employee within 60 days after commencement of employment with the Employer as an Eligible Employee.

(2) The Participating Employee:

a. reports the tips earned during the taxable year to the Employer at or above the tip rates set forth in Section VIII of this Agreement, or

b. works for an Employer that utilizes an Employer-Computed Tip Reporting Process to compute and report the tips of Participating Employees on Forms W–2; and

c. timely files a federal income tax return for the taxable year that reports tips and wages reported on Form W–2.

B. If an employee becomes a Participating Employee more than 60 days after becoming employed as an Eligible Employee, the Service may examine the Participating Employee's tip income received before the employee becomes a Participating Employee, except for the period the employee was a Participating Employee of the Employer or of another Employer under a tip compliance agreement (GITCA, TRDA, TRAC, or similar agreement) during any taxable year. Once the employee becomes a Participating Employee, the Service will not examine the employee's tip income received during the period the employee remains a Participating Employee.

C. The Service will not examine tip income of a Participating Employee for any taxable year that ends on or before the Effective Date of this Agreement, provided that during that prior period the employee was:

(1) a Participating Employee, as defined in Section IV, of the Employer under a predecessor agreement between the Employer and the Service and satisfied the terms and conditions of that agreement in that prior taxable year;

(2) a Participating Employee, as defined in Section IV, of another employer who had a Gaming Industry Tip Compliance Agreement (or other tip compliance agreement, such as a Tip Rate Determination Agreement) with the Service and satisfied the terms and conditions of that agreement in that prior taxable year; or

(3) an employee of (i) an employer that did not have a Gaming Industry Tip Compliance Agreement (or predecessor agreement) with the Service or (ii) the Employer had a Gaming Industry Tip Compliance Agreement (or predecessor agreement), but the employee was not an Eligible Employee within the meaning of that agreement, and the employee filed, if required to do so by law, federal income tax returns for the three taxable years that preceded the year of the Effective Date of this Agreement.

D. In the case of Participating Employees of an Employer that does not have a certified Employer-Computed Tip Reporting Process, if the Service believes on the basis of information provided by the Employer pursuant to Section V.F(2) that the Participating Employee did not report tips on his or her federal income tax return as required by Section VIII of this Agreement, the Service shall confirm with the Employer the accuracy of the Participating Employee data received from the Employer prior to making any determination that tips have not been reported at or above the applicable rates.

E. A Nonparticipating Employee is subject to the full range of compliance and enforcement procedures of the Service, at any time, including during the term of this Agreement. (The treatment of the Employer in the case of Nonparticipating Employees is set forth in Section VII.A(2)).

F. At the Service's discretion, the Service may continue any ongoing examination of any employees of the Employer begun by the Service before the Effective Date of this Agreement.

VII. TIP EXAMINATIONS OF EMPLOYER

A. With respect to any taxable year during which this Agreement is in effect:

(1) the Service may not assert liability against the Employer pursuant to section 3121(q) of the Code with respect to the tip income of Participating Employees (except in the limited case provided in subparagraph (2)(ii) immediately below).

(2) the Service may assert liability against the Employer pursuant to section 3121(q) of the Code based on (i) tips received by a Nonparticipating Employee if the asserted liability is based upon the final results of an audit or agreement of the Nonparticipating Employee or (ii) the reporting of additional tip income by an employee.

B. At the Service's discretion, the Service may continue any ongoing examination of the Employer begun by the Service before the Effective Date of this Agreement.

VIII. TIP RATES

A. This section sets forth the applicable tip rates under this Agreement. The Parties established the applicable tip rates as follows:

(1) Employees Who Pool Tips. In satisfaction of their tip reporting obligations under section 6053(a) of the Code with respect to employees who pool tips, these employees or their employee group representatives (*e.g.*, the toke committee) shall present to the Employer a listing of the actual share of pooled tips received by or given to each employee. This listing must reconcile to the tips presented to the Employer's cage for cashing. The tip rate in the case of these employees is the amount of tips so reported to the Employer with respect to each employee.

(2) Other Tipped Employees — Specified Occupational Categories. Based on information available from the Employer, historical information available to the Service, and generally accepted accounting principles, the Employer and the Service have agreed to separate tip rates for the occupational categories or subcategories of Eligible Employees ("Occupational Category"), shifts, and outlets listed on Appendix A for each of the years during which this Agreement is in effect. These rates specify tips received, by hour, by shift, by drink, by percentage of sales, or other mutually agreed and verifiable bases of measurement depending on the nature of the work performed.

B. Tip Rates and Occupational Categories.

(1) In General. The applicable Tip Rates and Occupational Categories established by this Agreement shall remain in effect for the term of this Agreement, unless modified pursuant to paragraph B(2) or (3) of this section.

(2) Mutual Agreement Process. The Service or the Employer may propose revisions to tip rates or Occupational Categories during the term of the Agreement. The non-proposing party will notify the proposing party in writing of approval or disapproval within 60 calendar days of receipt of the proposed revision. The non-proposing party will not unreasonably withhold approval. If accepted, the revisions will become effective upon the date agreed to by the Parties.

(3) Request for Tip Rate Modification. Upon the occurrence of one of the following specific events:

a. a significant change in the nature of the business (or segment thereof) in which the Participating Employee earns tips (*e.g.*, an Employer converts an upscale restaurant into a coffee shop),

b. a decrease of 20 percent or more in the Employer's gross monthly revenue as compared to the same month of the previous year, or

c. a drop below 50 percent in the participation rate of any Occupational Category as of the participation measurement date,

the Employer may request that the Service agree to a modification in the relevant tip rate of an affected Participating Employee within an Occupational Category (*e.g.*, an outlet or shift) that is appropriate in amount and duration, consent to which shall not be unreasonably withheld.

The process established in paragraph B(3) of this section for the revision of a tip rate upon the occurrence of specific events in no way limits the circumstances that may give rise to a request for revision of a tip rate under the mutual agreement process described in paragraph B(2) of this section.

IX. TERM OF AGREEMENT

A. This Agreement shall commence on the Effective Date and shall terminate on _____. The "Effective Date" of this Agreement shall be _____.

B. The Service and the Employer agree that, beginning not later than six months prior to the termination date described in paragraph A., they shall commence discussions as to any appropriate revisions to this Agreement, including any appropriate revisions to the tip rates described in Section VIII. In the event that the Service and the Employer have not reached final agreement on the terms and conditions of a renewal Agreement to become effective beginning on _____, the Parties may, by mutual agreement, extend this agreement for an appropriate time to finalize and execute a renewal Agreement.

C. Neither the Employer's nor the Service's decisions regarding renewal of agreements are subject to review.

X. TERMINATION OF AGREEMENT; SURVIVAL OF TERMS

A. If employee participation is below 75 percent of the Eligible Employees, the Service and the Employer shall meet to discuss the cause of the decline in the participation rate and appropriate measures to increase the participation rate. At the meetings, the Employer shall provide information with respect to the records necessary for assessing the tip rate and for assessing the procedures used to encourage all of the Employer's Eligible Employees to be Participating Employees.

(1) If the Employer undertakes good faith discussions with the Service on these matters and the Employer is not in breach of its obligations under Section V.A, the Service may not terminate the Agreement.

(2) If the Employer fails to undertake good faith discussions with the Service on these matters or the Employer is in breach of its obligations under Section V.A, the Service may terminate the Agreement.

B. The Service may terminate this Agreement by written notice if participation falls below 50 percent of the Eligible Employees. Termination by the Service shall become effective on the first day of the first payroll period after the 60th day after the date of the written notice.

C. This Agreement may be terminated upon the joint agreement of the Employer and the Service, without the consent of any Participating Employee. The effective date of termination shall be as agreed to by the Employer and the Service.

D. If either party fails to comply with any material provision of this Agreement, the non-defaulting party, at its option, may terminate this Agreement by giving written notice of termination to the other party. Termination of the Agreement shall be effective upon receipt of the notice by the other party.

E. If this Agreement is terminated pursuant to the terms of this agreement, the mutual obligations of the Parties shall remain in effect through the effective date of termination. The agreements set forth in Sections VI and VII shall survive termination with respect to taxable periods (or portion thereof) that occur prior to the effective date of termination.

XI. PRECEDENTIAL VALUE

The contents of this agreement may not be used or cited as precedent by any other Employer or other taxpayer and will not bind, or otherwise control, the Parties for taxable years or issues not covered by this Agreement.

XII. FAILURE TO COMPLY

If the Employer fails or refuses to provide any of the information required by this Agreement, the Service may employ any lawful means, including the issuance and enforcement of summonses pursuant to sections 7602, 7604, and 7609 of the Code, in order to secure the information.

XIII. COMPLIANCE REVIEW

The Employer agrees that a compliance review or other inspection of books and records, as required for compliance with the terms of this Agreement, will not be considered an examination or inspection of books of account for purposes of section 7605(b) of the Code or the Service's policy and procedures for reopening cases closed after examination, or an audit for purposes of section 530 of the Revenue Act of 1978.

XIV. EXCLUSION OF CERTAIN EMPLOYEES

This Agreement does not cover employees of the Employer working in housekeeping and those employees shall not be considered Eligible Employees for purposes of this Agreement.

XV. OTHER AGREEMENTS SUPERSEDED

This Agreement shall supersede all existing tip compliance agreements between the Employer and the Service.

XVI. ENTIRE AGREEMENT

This Agreement contains the final and entire agreement between the Employer and the Service.

By signing this Gaming Industry Tip Compliance Agreement, the Parties certify that they have read and agreed to the terms of this document, including all Appendices.

EMPLOYER:

By _____

TITLE _____

EIN# _____

Address _____

_____

_____

_____

Date _____

INTERNAL REVENUE SERVICE:

By _____

TITLE _____

Address _____

_____

_____

_____

Date _____

APPENDIX A

Occupational Categories, Outlets, Shifts and Tip Rates

Occupational Category	Outlet	Shift	Tip Rate Yr. 1	Tip Rate Yr. 2	Tip Rate Yr. 3

APPENDIX B

Narrative Summary of Tip Rate Calculation Methodology

APPENDIX C

Model Gaming Employee Tip Reporting Agreement

I am an employee of _____, and by signing this agreement I am choosing to participate in the tip reporting program administered by my employer under the Gaming Industry Tip Compliance Agreement between my employer and the Internal Revenue Service (Service).

I understand that I have responsibilities under this agreement and agree to the following terms and conditions.

A. General Responsibilities.

(1) I will report tips to my employer at or above the tip rate that has been established pursuant to the Gaming Industry Tip Compliance Agreement for my job or have my employer compute my reportable tips for me using the tip rate. [I understand that I may revoke this agreement and report (either to my employer or to the Service) tips below the tip rate if I can substantiate, to the satisfaction of the Service and subject to a possible review by the Service, that I earned less tip income than would be reflected by applying the tip rate].

(2) I will file my Federal income tax returns on a timely basis and report those tips and the rest of my earnings from my job as shown on the Form W–2 that my employer gives me, as well as any other income.

(3) For each of the three years prior to the date of this agreement, if required to do so, I have filed a Federal income tax return on a timely basis. If I have filed all of these tax returns but have not fully paid the tax I owe, I must contact the local office of the Service within 60 days from now to resolve my account.

If I fulfill my responsibilities and continue to participate under this tip reporting program, I will receive important benefits under this agreement.

B. Benefits Under Agreement.

(1) If I report to my employer tips at or above the tip rate that has been established for my job or if my employer computes my reportable tips for me using the tip rate and reports them to me and to the Service on Form W–2, the Service will not audit my tip income received after the date of this agreement during which the Gaming Industry Tip Compliance Agreement between my employer and the Service is in effect.

(2) The Service also will not audit my tip income for any prior tax year during which (i) I was a participant in a prior tip compliance agreement while working for my current employer or a former employer, or (ii) I had no opportunity to participate in a prior tip compliance agreement because I worked in a job that was not covered by a tip compliance agreement or because my employer did not have a tip compliance agreement with the Service.

(3) If I was eligible to participate in an employer's tip compliance agreement in prior tax years but did not do so, I will not be protected from an audit of my tip income for those prior years, but I will receive protection from audit of my tip income received after the date of this agreement during which the Gaming Industry Tip Compliance Agreement between my employer and the Service is in effect.

(4) If I sign this agreement within 60 days after I first became employed with my current employer, I will be protected from an audit of my tip income received after the beginning date of employment during which the Gaming Industry Tip Compliance Agreement between my employer and the Service is in effect. If I sign this agreement more than 60 days after I first became employed with my current employer, I will be protected from an audit of my tip income received after the date of this agreement during which the Gaming Industry Tip Compliance Agreement between my employer and the Service is in effect.

C. Revocation of Agreement. I understand that the following additional terms and conditions apply to this agreement.

(1) I may revoke this agreement in writing to my employer at any time.

(2) If I report tips to my employer or the service below the established tip rate, this agreement will be automatically revoked.

(3) If this agreement is revoked, I must begin reporting my tips to my employer, beginning with the tips I receive on the first day of the next payroll period.

(4) Upon revocation of this agreement, I will no longer be protected from an audit of my tip income for the tax year in which I revoke the agreement.

(5) After revocation of this agreement, I will not be able to sign up again for my employer's tip reporting program until January 1 of the year after I revoke this agreement.

D. Term of Agreement. This agreement shall remain in effect as long as there is a Gaming Industry Tip Compliance Agreement between my employer and the service, and I have not taken any actions to terminate this agreement either by notifying my employer in writing or by reporting tips to my employer or the Service in an amount less than the agreed upon rates.

By signing below, I agree to fulfill my responsibilities under this agreement and to participate in the tip reporting program pursuant to the Gaming Industry Tip Compliance Agreement between my employer and the Service.

Signature	Social Security Number
Printed Name of Employee	
	Address

APPENDIX D

Model Extension Agreement

The Gaming Industry Tip Compliance Agreement (Agreement) signed by the Employer, _____ and the Internal Revenue Service (the Parties), effective on _____, shall expire on, _____.

The Parties wish to renew the Agreement, but have not reached final agreement on the terms and conditions of the renewal. In order to allow more time to finalize and execute a renewal, the Parties agree to extend the original Agreement until _____.

EMPLOYER:	**INTERNAL REVENUE SERVICE:**
By _____	By _____
TITLE _____	TITLE _____
EIN# _____	
Date _____	Date _____

APPENDIX E

Employer-Computed Tip Reporting Process Certification

_____

(name of Employer)

certifies that it utilizes an Employer-Computed Tip Reporting Process within the meaning of Section V.J of the Gaming Industry Tip Compliance Agreement to compute and report tips of Participating Employees on Forms W–2.

_____

Employer Representative & Date

****

A representative of the Internal Revenue Service has reviewed the Employer's Certification and

_____

(Concurs/Does Not Concur)

If the representative of the IRS does not concur with the Employer's Certification, the representative will provide the Employer with the actions necessary to attain certification.

_____

IRS Representative & Date

APPENDIX F

GITCA Contact Listing

IRS Contacts:

IRS Program Manager

Name

_____

Address

_____

_____

_____

Telephone

_____

E-Mail _____

IRS Tax Manager (Local Office)

Name

_____

Address

_____

_____

_____

Telephone

_____

E-Mail _____

IRS Examiner

Name _____

Address _____

_____

_____

Telephone _____

E-Mail _____

Taxpayer Advocate (Local Office)

Name _____

Address _____

_____

_____

Telephone _____

E-Mail _____

Employer Contacts:

Name _____

Address _____

_____

_____

Telephone _____

E-Mail _____

26 CFR 601.602: Tax forms and instructions. (Also: Part 1, §§ 1, 223.)

Rev. Proc. 2007–36

SECTION 1. PURPOSE

This revenue procedure modifies and supersedes section 3.24(1) of Rev. Proc. 2006–53, 2006–48 I.R.B. 996, which provides inflation adjusted items for 2007 for Health Savings Accounts (HSAs) under § 223 of the Internal Revenue Code. This revenue procedure also provides inflation adjusted items for HSAs for 2008.

SECTION 2. BACKGROUND

Section 303 of the Health Opportunity Patient Empowerment Act of 2006, Title III of the Tax Relief and Health Care Act of 2006, Pub. L. No. 109–432, 120 Stat. 2922 (2006) (the Act), changes the maximum annual contribution for HSAs. Under prior law, the maximum annual HSA contribution was the lesser of the deductible of the high deductible health plan or the indexed statutory amount. For taxable years beginning after December 31, 2006, § 303 of the Act amends § 223(b) to provide that the maximum annual HSA contribution is the indexed statutory amount, without reference to the deductible of the high deductible health plan.

Section 304 of the Act amends the rules for calculating cost-of-living adjustments for HSA amounts in § 223. Section 304 of the Act amends § 223(g) to provide that, for cost-of-living adjustments made for taxable years beginning after 2007, § 1(f)(4) is applied using March 31 instead of August 31 as the close of the 12-month period described in § 1(f)(4). Section 223(g) also provides that the adjusted amounts under § 223 will be published no later than June 1 of the preceding calendar year.

SECTION 3. MODIFICATION OF SECTION 3.24(1) OF REV. PROC. 2006–53

Section 3.24(1) of Rev. Proc. 2006–53 is modified to read as follows: