

PROPOSED RULES

DEPARTMENT OF THE TREASURY

26 CFR Part 1

[LR-255-82]

Registration Requirements With Respect to Debt Obligations; Proposed Rulemaking

Monday, November 15, 1982

***51414** AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In the Rules and Regulations portion of this Federal Register, the Internal Revenue Service is issuing temporary regulations that relate to registration requirements with respect to debt obligations. The text of those temporary regulations also serves as the comment document for this proposed rulemaking.

DATES: Written comments and requests to speak at the public hearing must be delivered by January 14, 1983. The regulations are proposed to be effective generally with respect to obligations issued after December 31, 1982.

ADDRESS: Send comments and requests to speak at the public hearing to: Commissioner of Internal Revenue, Attention: CC:LR:T (LR-255-82), Washington, D.C. 20224.

FOR FURTHER INFORMATION CONTACT: Diane L. Kroupa, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. 20224 (Attention: CC:LR:T) (202-566-3590).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations in the Rules and Regulations portion of this issue of the Federal Register add new part 5f to Title 26 of the Code of Federal Regulations. The final regulations, which this document proposes be based on those temporary regulations, would be added to Part 1 of [Title 26 of the Code of Federal Regulations](#). [Section 5f.103-1](#) would become § 1.103-8(a)(7), § 5f.163-1 would become [§ 1.163-5](#), and [§§ 5f.103-1](#) and [5f.163-1](#) would be deleted.

The regulations provide rules as to what obligations must be registered. The regulations define registration and provide rules for certain Federal tax consequences that will apply if obligations issued after December 31, 1982, are not issued in registered form. The regulations are necessary because of the additions made to [section 103](#) and [163](#) by the Tax Equity and Fiscal Responsibility Act of 1982 (Pub. L. 97-248, 96 Stat. 595). These regulations are proposed to be issued under the authority contained in [sections 103\(j\)](#), [163\(f\)](#), and [7805 of the Internal Revenue Code](#) (96 Stat. 596; [26 U.S.C. 103\(j\)](#); 96 Stat. 596, [26 U.S.C. 163\(f\)](#); 68A Stat. 917, [26 U.S.C. 7805](#)), and

in section 310 of the Tax Equity and Fiscal Responsibility Act of 1982 (96 Stat. 595).

Non-Applicability of [Executive Order 12291](#)

The Commissioner has determined that this proposed regulation is not subject to review under [Executive Order 12291](#) or the Treasury and OMB implementation of the Order dated April 28, 1982.

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 notice of proposed rulemaking as it will not have a significant economic impact on a substantial number of small entities. The impact of the requirement that debt obligations be issued in registered form on both small and large issuers is due to requirements imposed directly by the statute. In the areas in which the Service has been given significant discretion under the statute, the Service has exercised its discretion so as to minimize the potential impact while ensuring compliance with the statute. For example, the requirement of registration of an obligation will be satisfied where the owner of the obligation can be ascertained through a book entry system. The regulations are liberal in permitting the use of book entry registration, thereby reducing the cost to issuers of issuing obligations in registered form.

List of Subjects in 26 CFR Part 1

Income taxes, Exemptions, Deductions, Tax Equity and Fiscal Responsibility Act of 1982.

Comments and Requests for a Public Hearing

Before adopting these proposed regulations, consideration will be given to any written comments that are submitted (preferably seven copies) to the Commissioner of Internal Revenue. All comments will be available for public inspection and copying. Notice of the time and place of the hearing appears in the notice of hearing section of this issue of the Federal Register.

Roscoe L. Egger, Jr.,

Commissioner of Internal Revenue.

[FR Doc. 82-31123 Filed 11-9-82; 11:40 am]

BILLING CODE 4830-01-M

47 FR 51414-01, 1982-2 C.B. 934, 1982 WL 146589 (F.R.)

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