

## Part III

3121(q)

### Gaming Industry Tip Compliance Agreement Program

#### Rev. Proc. 2020-47

##### SECTION 1. PURPOSE

This revenue procedure modifies Revenue Procedure 2007-32, 2007-22 I.R.B.1322, to extend the term of a Gaming Industry Tip Compliance Agreement (GITCA). Revenue Procedure 2007-32 provides that the term of a GITCA is generally three years. This revenue procedure modifies Revenue Procedure 2007-32 to provide that the term of a GITCA is generally five years and to extend the renewal term of a GITCA from three years to a term of up to five years.

##### SECTION 2. BACKGROUND

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). Under section 3121(q), tips received by an employee in the course of the employee's employment are considered remuneration for that employment and are deemed to have been paid by the employer for purposes of the employer share of social security and Medicare tax imposed by sections 3111(a) and (b). The remuneration is deemed to be paid when a written statement including the tips is furnished to the employer by the employee pursuant to section 6053(a). The GITCA Program was established by Revenue Procedure 2003-35, 2003-20 I.R.B. 919, and was updated by Revenue Procedure 2007-32 with a new model GITCA. The model GITCA in Revenue Procedure 2007-32 was intended to enhance administration of the GITCA Program by facilitating and promoting the use of financial information technology in the tip reporting process.

Under the GITCA Program, a gaming industry employer and the Internal Revenue Service (Service) work together to reach a GITCA that establishes minimum tip rates for participating 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. MODIFICATION TO REV. PROC. 2007-32

Sections 4.03 and 4.04 of Revenue Procedure 2007-32 are modified, and as modified these sections read in their entirety as follows:

.03 In general, a Gaming Industry Tip Compliance Agreement shall be for a term of five 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 A Gaming Industry Tip Compliance Agreement may be renewed for additional terms of up to five 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.

##### SECTION 4. EFFECTIVE DATE

This revenue procedure is effective November 23, 2020.

##### SECTION 5. EFFECT ON OTHER DOCUMENTS

Revenue Procedure 2007-32 is modified. A GITCA executed pursuant to Revenue

Procedure 2003-35 and Revenue Procedure 2007-32 will remain in effect until the expiration date set forth in that agreement, unless modified by the renewal of a GITCA under section 4.04 of Revenue Procedure 2007-32 (as modified by section 3 of this revenue procedure).

##### SECTION 6. DRAFTING AND CONTACT INFORMATION

The principal author of this revenue procedure is Stephanie Caden of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). For further information about this revenue procedure, contact Ms. Caden at (202) 317-4774 (not a toll-free number). For inquiries into participating in the GITCA Program or for questions about the program, contact the National Tip Reporting Compliance Program office in SB/SE, Employment Tax Examination, at (616) 365-4603 (not a toll-free number).

26 CFR 601.601: Rules and Regulations.  
(Also: §§ 147, 1.147(f)-1)

#### Rev. Proc. 2020-49

##### SECTION 1. PURPOSE

This revenue procedure provides temporary guidance regarding the public approval requirement under § 147(f) of the Internal Revenue Code for tax-exempt qualified private activity bonds. Specifically, in light of the continuing Coronavirus Disease 2019 (COVID-19) pandemic, this revenue procedure extends until September 30, 2021, the time period described in section 4.02 of Rev. Proc. 2020-21, 2020-22 I.R.B. 872, during which certain telephonic hearings are permitted.

##### SECTION 2. BACKGROUND

.01 Pursuant to § 147(f), tax-exempt qualified private activity bonds are subject to a public approval requirement. Except for refunding bonds described in § 147(f)(2)(D), a bond issue must be approved by the governmental unit issuing the bonds