

[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 301

[REG-125570-11]

RIN 1545-BK38

Disregarded Entities and the Indoor Tanning Services Excise Tax

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations relating to disregarded entities (including qualified subchapter S subsidiaries) and the indoor tanning services excise tax. These regulations affect disregarded entities responsible for collecting the indoor tanning services excise tax and owners of those disregarded entities. The text of the temporary regulations also serves as the text of the proposed regulations.

DATES: Comments and requests for a public hearing must be received by

**[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION OF THIS**

**DOCUMENT IN THE FEDERAL REGISTER]**.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-125570-11), room 5205, Internal Revenue Service, PO Box 7604, Ben Franklin Station,

Washington, DC 20044. Submissions may be hand-delivered to: CC:PA:LPD:PR

Monday through Friday between the hours of 8 a.m. and 4 p.m. to:

CC:PA:LPD:PR (REG-125570-11), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW; Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-125570-11).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Michael H. Beker, (202) 622-3130; concerning submissions of comments and requests for a public hearing, Oluwafunmilayo Taylor, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

### **Background**

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) under section 1361 of the Internal Revenue Code (Code) and the Procedure and Administration Regulations (26 CFR part 301) under section 7701 of the Code. The text of temporary regulations published in this issue of the **Federal Register** also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations.

### **Special Analyses**

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these

regulations, and because these regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this regulation has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

### **Comments and Requests for a Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the “Addresses” heading. The IRS and the Treasury Department request comments on all aspects of the proposed rules. All comments will be available at [www.regulations.gov](http://www.regulations.gov) or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

### **Drafting Information**

The principal author of these regulations is Michael H. Beker, Office of the Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and the Treasury Department participated in their development.

### **List of Subjects**

#### 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

**Proposed Amendments to the Regulations**

Accordingly, 26 CFR parts 1 and 301 are proposed to be amended as follows:

PART 1--INCOME TAX

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Par. 2. Section 1.1361-4 is amended by adding paragraph (a)(8)(iii) to read as follows:

§1.1361-4 Effect of QSub election.

(a) \* \* \*

(8) \* \* \*

(iii) [The text of proposed §1.1361-4(a)(8)(iii) is the same as the text of §1.1361-4T(a)(8)(iii)(A) and (B) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

PART 301--PROCEDURE AND ADMINISTRATION

Par. 3. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Par. 4. Section 301.7701-2 is amended by adding new paragraphs (c)(2)(vi) and (e)(9) to read as follows:

§301.7701-2 Business entities; definitions.

\* \* \* \* \*

(c) \* \* \*

(2) \* \* \*

(vi) [The text of proposed §301.7701-2(c)(2)(vi) is the same as the text of §301.7701-2T(c)(2)(vi) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(e) \* \* \*

(9) [The text of proposed §301.7701-2(e)(9) is the same as the text of §301.7701-2T(e)(9)(i) published elsewhere in this issue of the **Federal Register**].

Steven T. Miller

Deputy Commissioner for Services and Enforcement.

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