

If property subject to section 168 of the Code (MACRS property) is acquired in replacement of involuntarily converted MACRS property to which section 1033 applies, how is the depreciation allowable determined for the acquired MACRS property? See Notice 2000-4, page 313.

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## Section 706.—Taxable Year of Partner and Partnership

*26 CFR 1.706-1T: Taxable years of certain partnerships.*

What procedures apply for certain corporations to obtain automatic approval to change their annual accounting periods under section 442 of the Code? See Rev. Proc. 2000-11, page 309.

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## Section 898.—Taxable Year of Certain Foreign Corporations

What procedures apply for certain corporations to obtain automatic approval to change their annual accounting periods under section 442 of the Code? See Rev. Proc. 2000-11, page 309.

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## Section 1031.—Exchange of Property Held for Productive Use or Investment

*26 CFR 1.1031(a)-1: Property held for productive use in trade or business or for investment.*

If property subject to section 168 of the Code (MACRS property) is acquired in an exchange of MACRS property for like-kind MACRS property to which section 1031 applies, how is the depreciation allowable determined for the acquired MACRS property? See Notice 2000-4, page 313.

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## Section 1033.—Involuntary Conversions

*26 CFR 1.1033(a)-1: Involuntary conversion; nonrecognition of gain.*

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## Section 1441.—Withholding of Tax on Nonresident Aliens and Foreign Corporations

*26 CFR 1.1441-1: Requirement for withholding of tax on nonresident aliens, foreign partnerships, and foreign corporations.*

**T.D. 8856**

**DEPARTMENT OF THE TREASURY  
Internal Revenue Service  
26 CFR Parts 1, 31, 35a, 301,  
502, 503, 509, 513, 514, 516,  
517, 520, 521, and 602.**

## **General Revision of Regulations Relating to Withholding of Tax on Certain U.S. Source Income Paid to Foreign Persons and Related Collection, Refunds, and Credits; Revision of Information Reporting and Backup Withholding Regulations; and Removal of Regulations Under Parts 1 and 35a and of Certain Regulations Under Income Tax Treaties**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final rule; delay of effective date.

**SUMMARY:** This document contains changes delaying the effective date to final regulations (TD 8734, 1997-2 C.B. 109), which were published in the **Federal Register** of October 14, 1997, relating to the

withholding of income tax on certain U.S. source income payments to foreign persons. The Department of the Treasury and the IRS believe it is in the best interest of tax administration to delay the effective date of the final withholding regulations to ensure that both taxpayers and the government can complete changes necessary to implement the new withholding regime. As extended by this document, the final withholding regulations will apply to payments made after December 31, 2000.

**DATES: Effective Dates:** The amendments in this final rule are effective January 1, 2001. As of December 31, 1999, the effective date of the final regulations published at 62 FR 53387 (TD 8734), October 14, 1997, and delayed by TD 8804 (63 FR 72183, December 31, 1998), is delayed from January 1, 2000, until January 1, 2001; however, the effective date of the addition of §§31.9999-0 and 35a.9999-0 and the removal of §35a.9999-0T remains October 14, 1997.

**FOR FURTHER INFORMATION CONTACT:** Laurie Hatten-Boyd, (202) 622-3840 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

### **Background**

The final regulations that are the subject of this amendment provide guidance under sections 1441, 1442, and 1443 of the Internal Revenue Code (Code) on certain U.S. source income paid to foreign persons, the related tax deposit and reporting requirements under section 1461 of the Code, and the related changes under sections 163(f), 165(j), 871, 881, 1462, 1463, 3401, 3406, 6041, 6041A, 6042, 6045, 6049, 6050A, 6050N, 6109, 6114, 6402, 6413, and 6724 of the Code.

### **Need for Changes**

On April 29, 1999, in Notice 99-25

(1999–20 I.R.B. 1), the IRS and Treasury announced their decision to extend the effective date of the final regulations. When originally published in the **Federal Register** on October 14, 1997 (62 FR 53387), the final regulations were applicable to payments made after December 31, 1998 and, generally, granted withholding agents until after December 31, 1999, to obtain the new withholding certificates (Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY) and statements required under those regulations. On April 13, 1998, in Notice 98–16 (1998–15 I.R.B. 12), the IRS and Treasury announced the decision to extend the effective date of the final regulations to January 1, 2000 and to provide correlative extensions to the transition rules for obtaining new withholding certificates and statements. Those extensions were published on December 31, 1998 at 63 FR 72183 as TD 8804. This amendment serves to make the final regulations applicable to payments made after December 31, 2000 and to require mandatory use of the new withholding certificates and statements for payments made after that date.

### Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. 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. Finally, it has been determined that the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply to these regulations because the regulations do not impose a collection of information on small entities. Pursuant to 7805(f) of the Code, the notice of proposed rulemaking preceding these regulations (61 FR 17614) was submitted to the Small Business Administration for comment on its impact on small business.

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### Adoption of Amendments to the Regulations

Accordingly, under the authority of 26 U.S.C. 7805, 26 CFR parts 1, 31, and 301

are amended by making the following correcting amendments:

#### PART 1—INCOME TAXES

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

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

Par. 2. In §1.871–14, paragraph (h) is revised to read as follows:

*§1.871–14 Rules relating to repeal of tax on interest of nonresident alien individuals and foreign corporations received from certain portfolio debt investments.*

\* \* \* \* \*

(h) *Effective date—(1) In general.* This section shall apply to payments of interest made after December 31, 2000.

(2) *Transition rule.* For purposes of this section, the validity of a Form W-8 that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a Form W-8 that is valid on or after January 1, 1999 remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event will such a form remain valid after December 31, 2000. The rule in this paragraph (h)(2), however, does not apply to extend the validity period of a Form W-8 that expired solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (h)(2), a withholding agent or payor may choose to not take advantage of the transition rule in this paragraph (h)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, may choose to obtain withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new

withholding certificate remains valid for the period specified in §1.1441–1(e)(4)(ii), regardless of when the certificate is obtained.

Par. 3. In §1.1441–1, as revised at 62 FR 53424 (TD 8734) and amended at 63 FR 72183 (TD 8804), paragraph (f) is revised to read as follows:

*§1.1441–1 Requirement for the deduction and withholding of tax on payments to foreign persons.*

\* \* \* \* \*

(f) *Effective date—(1) In general.* This section applies to payments made after December 31, 2000.

(2) *Transition rules—(i) Special rules for existing documentation.* For purposes of paragraphs (d)(3) and (e)(2)(i) of this section, the validity of a withholding certificate (namely, Form W–8, 8233, 1001, 4224, or 1078, or a statement described in §1.1441–5 in effect prior to January 1, 2001 (see §1.1441–5 as contained in 26 CFR part 1, revised April 1, 1999)) that was valid on January 1, 1998 under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a withholding certificate that is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event will such withholding certificate remain valid after December 31, 2001. The rule in this paragraph (f)(2)(i), however, does not apply to extend the validity period of a withholding certificate that expires solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (f)(2)(i), a withholding agent may choose to not take advantage of the transition rule in this paragraph (f)(2)(i) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regula-

tions in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in paragraph (e)(4)(ii) of this section, regardless of when the certificate is obtained.

(ii) *Lack of documentation for past years.* A taxpayer may elect to apply the provisions of paragraphs (b)(7)(i)(B), (ii), and (iii) of this section, dealing with liability for failure to obtain documentation timely, to all of its open tax years, including tax years that are currently under examination by the IRS. The election is made by simply taking action under those provisions in the same manner as the taxpayer would take action for payments made after December 31, 2000.

Par. 4. In §1.1441-4, as amended at 62 FR 53424 (TD 8734) and at 63 FR 72183 (TD 8804), paragraph (g) is revised to read as follows:

*§1.1441-4 Exemptions from withholding for certain effectively connected income and other amounts.*

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(g) *Effective date—(1) General rule.* This section applies to payments made after December 31, 2000.

(2) *Transition rules.* The validity of a Form 4224 or 8233 that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a Form 4224 or 8233 that is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999) but in no event will such form remain valid after December 31, 2000. The rule in this paragraph (g)(2), however, does not apply to extend the validity period of a Form 4224 or 8233 that expires solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (g)(2), a withholding agent may choose to not take advantage of the transition rule in this paragraph (g)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, re-

vised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

Par. 5. In §1.1441-5, as revised at 62 FR 53424 (TD 8734) and amended at 63 FR 72183 (TD 8804), paragraph (g) is revised to read as follows:

*§1.1441-5 Withholding on payments to partnerships, trusts, and estates.*

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(g) *Effective date—(1) General rule.* This section applies to payments made after December 31, 2000.

(2) *Transition rules.* The validity of a withholding certificate that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a withholding certificate that is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event will such a withholding certificate remain valid after December 31, 2000. The rule in this paragraph (g)(2), however, does not apply to extend the validity period of a withholding certificate that expires solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (g)(2), a withholding agent may choose to not take advantage of the transition rule in this paragraph (g)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes

of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

Par. 6. In §1.1441-6, as revised at 62 FR 53424 (TD 8734) and amended at 63 FR 72183 (TD 8804), paragraph (g) is revised to read as follows:

*§1.1441-6 Claim of reduced withholding under an income tax treaty.*

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(g) *Effective date—(1) General rule.* This section applies to payments made after December 31, 2000.

(2) *Transition rules.* For purposes of this section, the validity of a Form 1001 or 8233 that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a Form 1001 or 8233 is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event will such a form remain valid after December 31, 2000. The rule in this paragraph (g)(2), however, does not apply to extend the validity period of a Form 1001 or 8233 that expires solely by reason of changes in the circumstances of the person whose name is on the certificate or in interpretation of the law under the regulations under §1.894-1T(d). Notwithstanding the first three sentences of this paragraph (g)(2), a withholding agent may choose to not take advantage of the transition rule in this paragraph (g)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001

(see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

Par. 7. In §1.1441-8 as redesignated and amended at 62 FR 53464 and amended at 63 FR 72138 (TD 8804), paragraph (f) is revised to read as follows:  
*§1.1441-8 Exemption from withholding for payments to foreign governments, international organizations, foreign central banks of issue, and the Bank for International Settlements.*

\* \* \* \* \*

(f) *Effective date*—(1) *In general.* This section applies to payments made after December 31, 2000.

(2) *Transition rules.* For purposes of this section, the validity of a Form 8709 that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a Form 8709 that is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999) but in no event shall such a form remain valid after December 31, 2000. The rule in this paragraph (f)(2), however, does not apply to extend the validity period of a Form 8709 that expires solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (f)(2), a withholding agent may choose to not take advantage of the transition rule in this paragraph (f)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

Par. 8. In §1.1441-9, paragraph (d) is revised to read as follows:

*§1.1441-9 Exemption from withholding on exempt income of a foreign tax-exempt organization, including foreign private foundations.*

\* \* \* \* \*

(d) *Effective date*—(1) *In general.* This section applies to payments made after December 31, 2000.

(2) *Transition rules.* For purposes of this section, the validity of a Form W-8, 1001, or 4224 or a statement that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a Form W-8, 1001, or 4224 or a statement that is valid on or after January 1, 1999 remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event shall such form or statement remain valid after December 31, 2000. The rule in this paragraph (d)(2), however, does not apply to extend the validity period of a Form W-8, 1001, or 4224 or a statement that expires solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (d)(2), a withholding agent may choose to not take advantage of the transition rule in this paragraph (d)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

Par. 9. In §1.1443-1, as revised at 62 FR 53424 (TD 8734) and amended at 63 FR 72183, paragraph (c) is revised to read as follows:

*§1.1443-1 Foreign tax-exempt organizations.*

\* \* \* \* \*

(c) *Effective date*—(1) *In general.* This section applies to payments made after December 31, 2000.

(2) *Transition rules.* For purposes of this section, the validity of an affidavit or opinion of counsel described in § 1.1443-1(b)(4)(i) in effect prior to January 1, 2001 (see § 1.1443-1(b)(4)(i) as contained in 26 CFR part 1, revised April 1, 1999) is extended until December 31, 2000. However, a withholding agent may choose to not take advantage of the transition rule in this paragraph (c)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see CFR part 1, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR part 1, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in § 1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

Par. 10. In §1.6042-3, as amended at 62 FR 53424 (TD 8734) and amended at 63 FR 72183 (TD 8804), paragraph (b)(5) is revised to read as follows:

*§1.6042-3 Dividends subject to reporting.*

\* \* \* \* \*

(b) \* \* \* \*

(5) *Effective date*—(i) *General rule.* The provisions of this paragraph (b) apply to payments made after December 31, 2000.

(ii) *Transition rules.* The validity of a withholding certificate (namely, Form W-8 or other form upon which the payor is permitted to rely to hold the payee as a foreign person) that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a withholding certificate that is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect

prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event shall such withholding certificate remain valid after December 31, 2000. The rule in this paragraph (b)(5)(ii), however, does not apply to extend the validity period of a withholding certificate that expires solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (b)(5)(ii), a payor may choose not to take advantage of the transition rule in this paragraph (b)(5)(ii) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

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Par. 11. In §1.6045-1, as amended at 62 FR 53424 (TD 8734) and amended at 63 FR 72183 (TD 8804), paragraph (g)(5) is revised to read as follows:

*§1.6045-1 Returns of information of brokers and barter exchanges.*

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(g) \* \* \*

(5) *Effective date*—(i) *General rule.* The provisions of this paragraph (g) apply to payments made after December 31, 2000.

(ii) *Transition rules.* The validity of a withholding certificate (namely, Form W-8 or other form upon which the payor is permitted to rely to hold the payee as a foreign person) that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time

during 1998, is extended until December 31, 1998. The validity of a withholding certificate that is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event shall such a withholding certificate remain valid after December 31, 2000. The rule in this paragraph (g)(5)(ii), however, does not apply to extend the validity period of a form that expires in 1998 solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (g)(5)(ii), a payor may choose not to take advantage of the transition rule in this paragraph (g)(5)(ii) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, to require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

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Par. 12. In §1.6049-5, as amended at 62 FR 53424 (TD 8734) and amended at 63 FR 72183 (TD 8804), paragraph (g) is revised to read as follows:

*§1.6049-5 Interest and original issue discount subject to reporting after December 31, 1982.*

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(g) *Effective date*—(1) *General rule.* The provisions of paragraphs (b)(6) through (15), (c), (d), and (e) of this section apply to payments made after December 31, 2000.

(2) *Transition rules.* The validity of a withholding certificate (namely, Form W-8 or other form upon which the payor is permitted to rely to hold the payee as a

foreign person) that was valid on January 1, 1998, under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and expired, or will expire, at any time during 1998, is extended until December 31, 1998. The validity of a withholding certificate that is valid on or after January 1, 1999, remains valid until its validity expires under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) but in no event shall such a withholding certificate remain valid after December 31, 2000. The rule in this paragraph (g)(2), however, does not apply to extend the validity period of a withholding certificate that expires solely by reason of changes in the circumstances of the person whose name is on the certificate. Notwithstanding the first three sentences of this paragraph (g)(2), a payor may choose not to take advantage of the transition rule in this paragraph (g)(2) with respect to one or more withholding certificates valid under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999) and, therefore, may require withholding certificates conforming to the requirements described in this section (new withholding certificates). For purposes of this section, a new withholding certificate is deemed to satisfy the documentation requirement under the regulations in effect prior to January 1, 2001 (see 26 CFR parts 1 and 35a, revised April 1, 1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

## **Parts 1, 31, and 301 [Amended]**

Par. 13. In the list below, for each section indicated in the left column (which was added, revised, or amended at 62 FR 53387 (TD 8734) and further amended at 63 FR 72138 (TD 8804), remove the language in the middle column and add the language in the right column:

<b>Section</b>	<b>Remove</b>	<b>Add</b>
1.871–14(c)(3)(ii), <i>Example</i> , first and sixth sentences	October 12, 2000	October 12, 2001
1.871–14(c)(3)(ii), <i>Example</i> , sixth sentence	December 31, 2000	December 31, 2001
1.871–14(c)(3)(ii), <i>Example</i> , sixth sentence	June 15, 2004	June 15, 2005
1.871–14(c)(3)(ii), <i>Example</i> , seventh sentence	June 15, 2004	June 15, 2005
1.1441–1(b)(4)(xix)	January 1, 2000	January 1, 2001
1.1441–1(b)(4)(xix)	April 1, 1998	April 1, 1999
1.1441–1(b)(7)(v), <i>Example 1</i> , first, fourth, and eighth sentences	June 15, 2000	June 15, 2001
1.1441–1(b)(7)(v), <i>Example 1</i> , third and ninth sentences	September 30, 2002	September 30, 2003
1.1441–1(b)(7)(v), <i>Example 1</i> , ninth sentence	March 15, 2001	March 15, 2002
1.1441–1(b)(7)(v), <i>Example 2</i> , first, fourth, and seventh sentences	June 15, 2000	June 15, 2001
1.1441–1(b)(7)(v), <i>Example 2</i> , third and seventh sentences	September 30, 2002	September 30, 2003
1.1441–1(b)(7)(v), <i>Example 2</i> , seventh and ninth sentences	March 15, 2001	March 15, 2002
1.1441–1(c)(6)(ii)(B)	January 1, 2000	January 1, 2001
1.1441–1(c)(6)(ii)(B)	April 1, 1998	April 1, 1999
1.1441–1(e)(4)(ii)(A)	September 30, 2000	September 30, 2001
1.1441–1(e)(4)(ii)(A)	December 31, 2003	December 31, 2004
1.1441–2(b)(3)(iv)	December 31, 1999	December 31, 2000
1.1441–2(f)	December 31, 1999	December 31, 2000
1.1441–3(h)	December 31, 1999	December 31, 2000
1.1441–7(g)	December 31, 1999	December 31, 2000
1.1461–1(i)	December 31, 1999	December 31, 2000
1.1461–2(a)(4), <i>Example 1</i> (i), second sentence	December 2000	December 2001
1.1461–2(a)(4), <i>Example 1</i> (i), third sentence	February 10, 2001	February 10, 2002
1.1461–2(a)(4), <i>Example 1</i> (ii), first, second, and last sentences	2000	2001

<b>Section</b>	<b>Remove</b>	<b>Add</b>
1.1461–2(a)(4), <i>Example 1</i> (ii), first sentence	March 15, 2001	March 15, 2002
1.1461–2(a)(4), <i>Example 1</i> (ii), third sentence	2001	2002
1.1461–2(a)(4), <i>Example 2</i> , second and last sentences	2001	2002
1.1461–2(a)(4), <i>Example 2</i> , second sentence	June 2001	June 2002
1.1461–2(a)(4), <i>Example 2</i> , third sentence	July 15, 2001	July 15, 2002
1.1461–2(a)(4), <i>Example 2</i> , third sentence	2000	2001
1.1461–2(a)(4), <i>Example 2</i> , last sentence	March 15, 2002	March 15, 2003
1.1461–2(a)(4), <i>Example 3</i> , last sentence	February 15, 2001	February 15, 2002
1.1461–2(a)(4), <i>Example 3</i> , last sentence	March 15, 2001	March 15, 2002
1.1461–2(d)	December 31, 1999	December 31, 2000
1.1462–1(c)	December 31, 1999	December 31, 2000
1.1463–1(b)	December 31, 1999	December 31, 2000
1.6041–4(d)	December 31, 1999	December 31, 2000
1.6041A–1(d)(3)(v)	December 31, 1999	December 31, 2000
1.6045–1(d)(6)(ii)(B)	December 31, 1999	December 31, 2000
1.6049–4(d)(3)(ii)(B)	December 31, 1999	December 31, 2000
1.6049–5(c)(4)(v)	January 1, 2000	January 1, 2001
1.6050N–1(e), last sentence	December 31, 1999	December 31, 2000
31.3401(a)(6)–1(e), paragraph heading	<i>January 1, 2000</i>	<i>January 1, 2001</i>
31.3401(a)(6)–1(e), first sentence	January 1, 2000	January 1, 2001
31.3401(a)(6)–1(f), paragraph heading	<i>December 31, 1999</i>	<i>December 31, 2000</i>
31.3401(a)(6)–1(f), first sentence	December 31, 1999	December 31, 2000
31.3406(g)–1(e), first sentence	December 31, 1999	December 31, 2000
31.3406(h)–2(d), penultimate sentence	December 31, 1999	December 31, 2000
31.9999–0	January 1, 2000	January 1, 2001
301.6114–1(b)(4)(ii)(C), introductory text	December 31, 1999	December 31, 2000

<b>Section</b>	<b>Remove</b>	<b>Add</b>
301.6114-1(b)(4)(ii)(D)	December 31, 1999	December 31, 2000
301.6724-1(g)(2) Q-11	January 1, 2000	January 1, 2001
301.6724-1(g)(2) Q-11	April 1, 1998	April 1, 1999
301.6724-1(g)(2) A-11	January 1, 2000	January 1, 2001
301.6724-1(g)(2) A-11	April 1, 1998	April 1, 1999
301.6724-1(g)(3), first sentence	December 31, 1999	December 31, 2000
301.6724-1(g)(3), last sentence	January 1, 2000	January 1, 2001
301.6724-1(g)(3), last sentence	April 1, 1998	April 1, 1999

Robert E. Wenzel,  
*Deputy Commissioner of  
Internal Revenue.*

Approved December 21, 1999.

Jonathan Talisman,  
*Acting Assistant Secretary  
of the Treasury Tax Policy.*

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