

purposes of this subpart O, the Farm Credit banks, the Funding Corporation and the Federal Reserve Banks shall treat the participant to whose securities account an interest in a book-entry security has been credited as the person exclusively entitled to issue a transfer message, to receive interest and other payments with respect thereof and otherwise to exercise all the rights and powers with respect to such security, notwithstanding any information or notice to the contrary. The Federal Reserve Banks, the Farm Credit banks, and the Funding Corporation are not liable to a person asserting or having an adverse claim to a security entitlement or to a book-entry security in a participant's securities account, including any such claim arising as a result of the transfer or disposition of a book-entry security by a Federal Reserve Bank pursuant to a transfer message that the Federal Reserve Bank reasonably believes to be genuine.

\* \* \* \* \*

7. Section 615.5457 is amended by revising paragraphs (c) and (d) to read as follows:

**§ 615.5457 Withdrawal of eligible book-entry securities for conversion to definitive form.**

\* \* \* \* \*

(c) Farm Credit securities which are to be delivered upon withdrawal may be issued in either registered or bearer form, to the extent permitted by the applicable securities documentation.

(d) All requests for withdrawal of eligible book-entry securities must be made prior to the maturity or the applicable date of call of the Farm Credit securities.

8. Section 615.5460 is amended by adding a new paragraph (c) to read as follows:

**§ 615.5460 Additional provisions.**

\* \* \* \* \*

(c) *Conversion of definitive securities into book-entry securities.* Definitive Farm Credit securities may be converted to book-entry form in accordance with the terms of the applicable securities documentation and Federal Reserve Operating Circular.

Dated: October 3, 1997.

**Floyd Fithian,**

*Secretary, Farm Credit Administration Board.*  
[FR Doc. 97-26999 Filed 10-10-97; 8:45 am]

BILLING CODE 6705-01-P

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 301 and 602

[TD 8737]

RIN 1545-AU88

#### Rewards for Information Relating to Violations of Internal Revenue Laws

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

**ACTION:** Final and temporary regulations.

**SUMMARY:** This document contains temporary regulations relating to rewards for information that relates to violations of the internal revenue laws. The regulations reflect changes to the law made by the Taxpayer Bill of Rights 2 and affect persons that are eligible to receive an informant's reward.

The text of these regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section of this issue of the **Federal Register**.

**DATES:** These regulations are effective October 14, 1997.

For dates of applicability, see § 301.7623-1T(g).

**FOR FURTHER INFORMATION CONTACT:** Judith A. Lintz (202)622-4940 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Paperwork Reduction Act

These regulations are being issued without prior notice and public procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). For this reason, the collections of information contained in these regulations have been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget under control number 1545-1534. Responses to the collection of information are voluntary with respect to the provision of information relating to violations of the internal revenue laws, but are required to obtain a benefit with respect to filing a claim for reward.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

For further information concerning these collections of information, and where to submit comments on the collections of information and the accuracy of the estimated burden, and

suggestions for reducing this burden, please refer to the preamble to the cross-referencing notice of proposed rulemaking published in the Proposed Rules section of this issue of the **Federal Register**.

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 tax return information are confidential, as required by 26 U.S.C. 6103.

#### Background

This document contains amendments to the Procedure and Administration Regulations (26 CFR part 301) under section 7623 relating to rewards for information that relates to violations of the internal revenue laws. This section was amended by section 1209 of the Taxpayer Bill of Rights 2 (TBOR 2) (Pub. L. 104-168, 110 Stat. 1452 (1996)).

#### Explanation of Provisions

Section 7623 provides the Secretary with the authority, by regulation, to pay rewards for information that relates to violations of the internal revenue laws. Section 1209 of TBOR 2 amended section 7623 to clarify that rewards may be paid for information relating to civil, as well as criminal, violations. TBOR 2 also provided that the rewards are to be paid out of the proceeds of amounts (other than interest) collected by reason of the information. These temporary regulations reflect those amendments.

In addition, these temporary regulations incorporate and update § 301.7623-1. For example, the regulations increase the limit on awards from 10% to 15% and provide new titles and addresses to which persons should submit information relating to violations of the internal revenue laws.

#### Special Analyses

It has been determined that this Treasury Decision is not a significant regulatory action as defined in EO 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.

It is hereby certified that the regulations in this document will not have a significant economic impact on a substantial number of small entities. This certification is based on a determination that in the past approximately 10,000 persons have filed claims for reward on an annual basis. Of these persons, almost all have been individuals. Accordingly, a regulatory

flexibility analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required.

Pursuant to section 7805(f) of the Internal Revenue Code, this Treasury Decision will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comments on its impact on small businesses.

Drafting Information: The principal author of these regulations is Judith A. Lintz, Office of Assistant Chief Counsel (Income Tax & Accounting), Internal Revenue Service. However, other personnel from the IRS and Treasury Department participated in their development.

## List of Subjects

### 26 CFR Part 301

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

### 26 CFR Part 602

Reporting and recordkeeping requirements.

## Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 301 and 602 are amended as follows:

### PART 301—PROCEDURE AND ADMINISTRATION

**Paragraph 1.** The authority citation for part 301 continues to read in part as follows:

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

**Par. 2.** § 301.7623-1 is amended by adding paragraph (g) to read as follows:

#### § 301.7623-1 Rewards for information relating to violations of internal revenue laws.

\* \* \* \* \*

(g) *Effective date.* This section is applicable with respect to rewards paid on or before January 29, 1997. See § 301.7623-1T for rewards paid after January 29, 1997.

**Par. 3.** Section 301.7623-1T is added to read as follows:

#### § 301.7623-1T Rewards for information relating to violations of internal revenue laws (temporary).

(a) *In general.* In cases where rewards are not otherwise provided for by law, a district or service center director may approve a reward, in a suitable amount, for information that leads to the detection of underpayments of tax, or the detection and bringing to trial and punishment of persons guilty of violating the internal revenue laws or conniving at the same. The rewards

provided for by section 7623 and this section will be paid from the proceeds of amounts (other than interest) collected by reason of the information provided.

(b) *Eligibility to file claim for reward—(1) In general.* Any person, other than certain present or former federal employees described in paragraph (b)(2) of this section, that submits, in the manner described in paragraph (d) of this section, information relating to the violation of an internal revenue law is eligible to file a claim for reward under section 7623 and this section.

(2) *Federal employees.* No person who was an officer or employee of the Department of the Treasury at the time the individual came into possession of information relating to violations of the internal revenue laws, or at the time the individual divulged such information, is eligible for a reward under section 7623 and this section. Any other current or former federal employee is eligible to file a claim for reward if the information provided came to the individual's knowledge other than in the course of the individual's official duties.

(3) *Deceased informants.* A claim for reward may be filed by an executor, administrator, or other legal representative on behalf of a deceased informant if, prior to the informant's death, the informant was eligible to file a claim for such reward under section 7623 and this section. Certified copies of the letters testamentary, letters of administration, or other similar evidence must be attached to the claim for reward on behalf of a deceased informant in order to show the authority of the legal representative to file the claim.

(c) *Amount and payment of reward.* All relevant factors, including the value of the information furnished in relation to the facts developed by the investigation of the violation, will be taken into account by a district or service center director in determining whether a reward will be paid, and, if so, the amount of the reward. The amount of a reward will represent what the district or service center director deems to be adequate compensation in the particular case, generally not to exceed fifteen percent of the amounts (other than interest) collected by reason of the information. Payment of a reward will be made as promptly as the circumstances of the case permit, but not until the taxes, penalties, or fines involved have been collected.

However, if the informant waives any claim for reward with respect to an uncollected portion of the taxes, penalties, or fines involved, the claim

may be immediately processed. Partial reward payments, without waiver of the uncollected portion of the taxes, penalties, or fines involved, may be made when a criminal fine has been collected prior to completion of the civil aspects of a case, and also when there are multiple tax years involved and the deficiency for one or more of the years has been paid in full. No person is authorized under these regulations to make any offer, or promise, or otherwise to bind a district or service center director with respect to the payment of any reward or the amount of the reward.

(d) *Submission of information.* A person that desires to claim a reward under section 7623 and this section may submit information relating to violations of the internal revenue laws, in person, to the office of a district director, preferably to a representative of the Criminal Investigation Division. Such information may also be submitted in writing to the Commissioner of Internal Revenue, Attention: Assistant Commissioner (Criminal Investigation), 1111 Constitution Avenue, N.W., Washington, DC 20224, to any district director, Attention: Chief, Criminal Investigation Division, or to any service center director. If the information is submitted in person, either orally or in writing, the name and official title of the person to whom it is submitted and the date on which it is submitted must be included in the formal claim for reward.

(e) *Identification of informant.* No unauthorized person will be advised of the identity of an informant.

(f) *Filing claim for reward.* An informant that intends to claim a reward under section 7623 and this section should notify the person to whom the information is submitted of such intention, and must file a formal claim on Form 211, Application for Reward for Original Information, signed by the informant in the informant's true name, as soon as practicable after the submission of the information. If other than the informant's true name was used in furnishing the information, satisfactory proof of identity as that of the informant must be included with the claim for reward.

(g) *Effective date.* This section is applicable with respect to rewards paid after January 29, 1997. See § 301.7623-1 for rewards paid on or before January 29, 1997.

### PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

**Par. 4.** The authority citation for part 602 continues to read as follows:

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

**Par. 5.** In § 602.101, paragraph (c) is amended by adding an entry in numerical order to the table to read as follows:

**§ 602.101 OMB Control numbers.**

* * * * *				
(c) * * *				
CFR part or section where identified and described				Current OMB control No.
* * * * *				*
301.7623-1T	.....			1545-1534
* * * * *				*

**Michael P. Dolan,**  
*Acting Commissioner of Internal Revenue.*

Approved: August 26, 1997.

**Donald C. Lubick,**  
*Acting Assistant Secretary of the Treasury.*  
[FR Doc. 97-26858 Filed 10-10-97; 8:45 am]  
BILLING CODE 4830-01-U

## DEPARTMENT OF THE INTERIOR

### Office of Surface Mining Reclamation and Enforcement

#### 30 CFR Part 935

[OH-241; Amendment Number 74]

#### Ohio Regulatory Program

**AGENCY:** Office of Surface Mining Reclamation and Enforcement (OSM), Interior.

**ACTION:** Final rule; approval of amendments and removal of condition of program approval.

**SUMMARY:** OSM is approving a proposed amendment to the Ohio regulatory program (hereinafter referred to as the "Ohio program") under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The proposed amendment consists of revisions to section 1501:13-6-03 of the Ohio Administrative Code (OAC) dealing with the Small Operator Assistance Program (SOAP). The amendment is intended to revise the Ohio program to be consistent with the corresponding Federal regulations.

**EFFECTIVE DATE:** October 14, 1997.

**FOR FURTHER INFORMATION CONTACT:** George Rieger, Field Branch Chief, Appalachian Regional Coordinating Center, Office of Surface Mining Reclamation and Enforcement, 3 Parkway Center, Pittsburgh, PA 15220, Telephone: (412) 937-2153.

#### SUPPLEMENTARY INFORMATION:

- I. Background on the Ohio Program
- II. Submission of the Proposed Amendment
- III. Director's Findings
- IV. Summary and Disposition of Comments
- V. Director's Decision
- VI. Procedural Determinations

#### I. Background on the Ohio Program

On August 16, 1982, the Secretary of the Interior conditionally approved the Ohio program. Background information on the Ohio program, including the Secretary's findings, the disposition of comments, and the conditions of approval can be found in the August 10, 1982, **Federal Register** (47 FR 34688). Subsequent actions concerning conditions of approval and program amendments can be found at 30 CFR 935.11, 935.15, and 935.16.

#### II. Submission of the Proposed Amendment

By letter dated October 3, 1996, (Administrative Record No. OH-2170-00) Ohio submitted a proposed amendment to its program regarding its SOAP pursuant to SMCRA. Ohio submitted the proposed amendment at its own initiative. OSM announced receipt of the proposed amendment in the October 18, 1996, **Federal Register** (61 FR 54373) and in the same document opened the public comment period and provided an opportunity for a public hearing on the adequacy of the proposed amendment. The public comment period closed on November 18, 1996. At the time of announcement, the proposed amendment was identified as [OH-240; Amendment Number 74]. Please note that the amendment is now identified as [OH-241; Amendment Number 74]. However, certain cross-references contained in the proposed amendments were inadvertently omitted or incorrect in that notice. These were conveyed to Ohio in a document dated April 14, 1997, Administrative Record No. OH-2170-07. Also, Ohio submitted corrections to its proposed amendments in documents dated April 1, 1997 and May 27, 1997 (Administrative Record Nos. OH-2170-06, and OH-2170-08, respectively). On June 24, 1997, Ohio submitted its revisions in response to the April 14, 1997 document (Administrative Record No. OH-2170-09). Therefore, OSM reopened the public comment period on the proposed amendments until August 4, 1997 as published in the July 18, 1997 **Federal Register** (62 FR 38509).

#### III. Director's Findings

Set forth below, pursuant to SMCRA and the Federal regulations at 30 CFR 732.15 and 732.17, are the Director's

findings concerning the proposed amendment. The amendment proposes numerous changes regarding both the title of the division and references to gender. Throughout the amendment, due to a name change of the division of reclamation, references to the "division of reclamation" are changed to the "division of mines and reclamation" and references to "he" or "his" are changed to "he or she" or "his or hers", respectively. These changes are non-substantive and are not specifically enumerated below. The changes proposed by Ohio in the revised amendment are discussed briefly below:

#### OAC 1501:13-6-03 Small Operator Assistance Program

(a) Paragraph (A)(1) is amended by adding items for which qualified operators may request assistance. These include engineering analysis and designs necessary for the determination of probable hydrologic consequences added to subparagraph (A)(1)(a), and amending subparagraph (A)(1)(b) to include geologic drilling and statement of the results of physical and chemical analyses of test borings or core samples.

(b) New subparagraphs (c)(d) (e) and (f) are added under paragraph (A)(1) to identify the development of cross-section maps and plans; the collection of archaeological information and other historical information and the preparation of plans necessitated thereby; pre-blast surveys; and the collection of site specific resource information and production of protection and enhancement plans for fish and wildlife habitats and other environmental values required by the chief, respectively, as items for which a qualified operator may request assistance.

There is no direct federal counterpart. However the proposed changes at (A)(1) are consistent with the corresponding Federal Regulations at 30 CFR 795.9(b)(1)-(b)(6), which describes the SOAP services and data requirements.

(c) Paragraph (B) is amended by deleting subparagraphs (1) and (2) dealing with probable hydrologic consequences and results of test borings and core samplings which are added to Paragraph (A) of this amendment, and adding a statement that the services eligible are now under paragraph (A).

The proposed change in paragraph (B) is non-substantive and the deletion of paragraphs (1) and (2) are not inconsistent with SMCRA or its corresponding Federal regulations, and do not render the State program any less effective than the federal regulations.

(d) Paragraph (C)(2) is amended by substituting the Department of Natural