

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

15 CFR Part 922

Regulation of the Operation of Motorized Personal Watercraft in the Gulf of the Farallones National Marine Sanctuary

AGENCY: Marine Sanctuaries Division (MSD), Office of Ocean and Coastal Resource Management (OCRM), National Ocean Service (NOS), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce.

ACTION: Extension of Comment Period.

SUMMARY: On April 23, 1999, NOAA published a proposed rule and notice of availability of a Draft Environmental Assessment (DEA) restricting the use of motorized personal watercraft in the Gulf of the Farallones National Marine Sanctuary (FR Volume 64, Number 78, pages 19945–19952). On May 20, 1999, NOAA published a notice of public meeting and extension of the comment period. On June 9, 1999, NOAA published an extension of the comment period. This notice further extends the comment period.

DATES: Comments on the proposed rule or DEA must be received by July 21, 1999.

ADDRESSES: Comments should be sent to Ed Ueber, Sanctuary Manager, Gulf of the Farallones National Marine Sanctuary, Ft. Mason, Building 201, San Francisco, California 94123; fax: (415) 561-6616; email: ed.ueber@noaa.gov. Comments received will be available for public inspection at the above address.

FOR FURTHER INFORMATION CONTACT: Ed Ueber at (415) 561-6622.

SUPPLEMENTARY INFORMATION: NOAA proposes to amend the regulations governing the Gulf of the Farallones National Marine Sanctuary (Sanctuary) to prohibit the operation of motorized personal watercraft (MPWC) in the nearshore waters of the Sanctuary. Specifically, the operation of MPWC would be prohibited from the mean high-tide line seaward to 1,000 yards (approximately 0.5 nautical mile), including seaward of the Farallone Islands. The proposed rule would ensure that Sanctuary resources and qualities are not adversely impacted and would help avoid conflicts among various users of the Sanctuary.

The original notice of proposed rule, published on May 23, 1999, had a 30 day comment period, which closed on May 24. On May 20, 1999, NOAA

published a notice to the **Federal Register** extending the comment period until June 11, 1999. On June 9, 1999, in response to a request to further extend the comment period, NOAA published a notice in the **Federal Register** extending the comment period until July 1, 1999. Due to concerns regarding the adequacy of time for review of all supporting documentation to the proposed rule, this notice further extends the comment period until July 21, 1999.

(Federal Domestic Assistance Catalog Number 11.429 Marine Sanctuary Program)

Dated: June 25, 1999.

Ted Lillestolen,

Deputy Assistant Administrator, Ocean Services and Coastal Zone Management.

[FR Doc. 99-16674 Filed 6-29-99; 8:45 am]

BILLING CODE 3510-08-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[REG-101519-97]

RIN 1545-AV00

Withdrawal of Notice of Federal Tax Lien in Certain Circumstances

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to the withdrawal of notices of federal tax liens in certain circumstances. The proposed regulations reflect changes made to section 6323 of the Internal Revenue Code of 1986 by the Taxpayer Bill of Rights 2. The proposed regulations affect all taxpayers seeking withdrawals of notices of federal tax liens.

DATES: Written comments and requests for a public hearing must be received by September 28, 1999.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-101519-97), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered to: CC:DOM:CORP:R (REG-101519-97), room 5228, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet

site at http://www.irs.ustreas.gov/prod/tax_reglist.html.

FOR FURTHER INFORMATION CONTACT: Kevin B. Connelly, (202) 622-3640 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to the Procedure and Administration Regulations (26 CFR part 301) relating to the withdrawal of notices of federal tax liens under section 6323 of the Internal Revenue Code (Code). Section 501(a) of the Taxpayer Bill of Rights 2 (TBOR2), Public Law 104-168, 110 Stat. 1452 (1996), amended section 6323 to authorize the Secretary to withdraw a notice of federal tax lien in certain limited circumstances. Section 501(a) also requires the Secretary to notify credit reporting agencies, financial institutions and creditors of the withdrawal upon the written request of the taxpayer. These proposed regulations reflect the amendments made by Section 501(a) of TBOR2.

Explanation of Provisions

Section 501(a) of TBOR2 amended section 6323 of the Code by authorizing the Secretary to withdraw a notice of federal tax lien under certain conditions and providing that upon written request of the taxpayer the Secretary will notify any credit reporting agency and any financial institution or creditor identified by the taxpayer. These proposed regulations implement section 501(a).

The proposed regulations provide that a district director, the director of a service center or the Assistant Commissioner (International) (the relevant person being referred to as "the director") may withdraw a notice of federal tax lien if the director determines that one of the conditions enumerated in paragraph (b) of the regulations exists. The notice of federal tax lien is withdrawn by filing a notice of withdrawal in the office in which the notice of federal tax lien is filed and providing the taxpayer with a copy of the notice. Following the withdrawal of a notice of federal tax lien, chapter 64 of subtitle F, relating to collection, is applied as if the IRS had never filed a notice of federal tax lien. The withdrawal of a notice of federal tax lien does not affect the underlying tax lien. The withdrawal simply relinquishes any lien priority the IRS had obtained under section 6323 of the Code when the IRS filed the notice being withdrawn.

The proposed regulations provide that the director has the authority to

withdraw a notice of federal tax lien if one of the following conditions exists: (1) The filing of the notice of federal tax lien was premature or otherwise not in accordance with the administrative procedures of the Secretary; (2) the taxpayer has entered into an agreement under section 6159 to satisfy the liability for which the lien was imposed by means of installment payments, unless the agreement by its terms provides that the notice will not be withdrawn; (3) the withdrawal of notice will facilitate collection of the tax liability for which the lien was imposed; or (4) the withdrawal of notice would be in the best interest of the taxpayer, as determined by the National Taxpayer Advocate, and in the best interest of the United States, as determined by the director.

The fourth ground for withdrawal (i.e., withdrawal based on the best interests of the parties) requires that the withdrawal be in the best interests of both the United States and the taxpayer. Therefore, two distinct determinations must be made before a director may withdraw a notice of federal tax lien based on the best interests of the parties. Under the proposed regulations the director alone will determine whether the withdrawal of a notice of federal tax lien is in the United States' best interest. The National Taxpayer Advocate generally will determine whether the withdrawal of a notice is in the taxpayer's best interest; however, if a taxpayer requests the director to withdraw a notice and has not requested the National Taxpayer Advocate to determine the taxpayer's best interest, a finding by the director that the withdrawal is in the taxpayer's, as well as the United States', best interest will be sufficient to support the withdrawal of notice. The director is not authorized to determine that the withdrawal of a notice is not in the taxpayer's best interest. Only the National Taxpayer Advocate is authorized to make that determination.

The proposed regulations provide that a person may request the withdrawal of a notice of federal tax lien by writing to the director (marked for the attention of the Chief, Special Procedures Function) of the district in which the notice is filed. A written request for withdrawal must include: (1) The name, current address, and taxpayer identification number of the person requesting withdrawal of the notice of federal tax lien; (2) a copy of the notice of federal tax lien affecting the property, if available; (3) the grounds upon which the withdrawal of notice of federal tax lien is being requested; (4) a list of the names and addresses of any credit

reporting agency and any financial institution or creditor that the taxpayer wishes the director to notify of the withdrawal of notice of federal tax lien; and (5) a request to disclose information relating to the withdrawal to the persons or entities listed.

The director must consider each taxpayer's request for withdrawal of notice of federal tax lien and determine whether any of the conditions authorizing withdrawal exists and whether to issue a withdrawal. The director also may issue a notice of withdrawal based on information received from a source other than the taxpayer.

If the director grants a withdrawal of notice of federal tax lien, the taxpayer may supplement the list of credit reporting agencies and financial institutions or creditors provided with the request for withdrawal. If no list was submitted with the request to withdraw, a list may be submitted after the notice is withdrawn. A request to supplement the list must be sent in writing to the director (marked for the attention of the Chief, Special Procedures Function) of the district in which the notice of federal tax lien is filed. The request must contain: (1) The name, current address, and taxpayer identification number of the person requesting the notification; (2) a copy of the notice of withdrawal; (3) the names and addresses of the persons or entities the taxpayer wishes the IRS to contact; and (4) a request to disclose the withdrawal to the persons or entities listed.

The regulations will be effective when the final regulations are published in the **Federal Register** with respect to withdrawals of any notice of federal tax lien occurring after such date regardless of when the notice was filed.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has 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 the collection of information in the regulation is exempt pursuant to 5 U.S.C. 601(7)(B), the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments that are submitted timely (preferably a signed original and eight (8) copies) to the IRS. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet site at http://www.irs.ustreas.gov/prod/tax__regslst.html. All comments will be available for public inspection and copying. The IRS and Treasury Department specifically request comments on the clarity of the proposed rule and how it may be made easier to understand. A public hearing may be scheduled if requested in writing by a person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these regulations is Kevin B. Connelly, Office of Assistant Chief Counsel (General Litigation) CC:EL:GL, IRS. However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 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, the IRS proposes to amend 26 CFR part 301 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. Section 301.6323(j)-1 is added to read as follows:

§ 301.6323(j)-1 Withdrawal of notice of federal tax lien in certain circumstances.

(a) *In general.* A district director, the Assistant Commissioner (International), or the director of a service center (collectively the director) may withdraw a notice of federal tax lien filed under this section, if the director determines that any of the conditions in paragraph (b) of this section exist. A notice of federal tax lien is withdrawn by the

director filing a notice of withdrawal in the office in which the notice of federal tax lien is filed. If a notice of withdrawal is filed, chapter 64 of subtitle F, relating to collection, will be applied as if the withdrawn notice had never been filed. A copy of the notice of withdrawal will be provided to the taxpayer. Upon written request by a taxpayer with respect to whom a notice of federal tax lien has been or will be withdrawn, the director will promptly make reasonable efforts to notify any credit reporting agency and any financial institution or creditor identified by the taxpayer of the withdrawal of such notice. The withdrawal of a notice of federal tax lien will not affect the underlying federal tax lien.

(b) *Conditions authorizing withdrawal.* The director may authorize the withdrawal of a notice of federal tax lien upon determining that one of the following conditions exists:

(1) *Premature or not in accordance with administrative procedures.* The filing of the notice of federal tax lien was premature or otherwise not in accordance with the administrative procedures of the Secretary.

(2) *Installment agreement.* The taxpayer has entered into an agreement under section 6159 to satisfy the liability for which the lien was imposed by means of installment payments. If, however, the agreement specifically provides that a notice of federal tax lien will not be withdrawn, the director may not grant a request for withdrawal of that notice of federal tax lien under this paragraph (b)(2).

(3) *Facilitate collection.* The withdrawal of the notice of federal tax lien will facilitate the collection of the tax liability for which the lien was imposed.

(4) *Best interests of the United States and the taxpayer—(i) In general.* The taxpayer or the National Taxpayer Advocate has consented to the withdrawal of the notice of federal tax lien, and withdrawal of the notice would be in the best interest of the taxpayer, as determined by the National Taxpayer Advocate, and the United States, as determined by the director.

(ii) *Best interest of the taxpayer.* The National Taxpayer Advocate generally will determine whether the withdrawal of a notice of federal tax lien is in the best interest of the taxpayer. If, however, a taxpayer requests the director to withdraw a notice and has not specifically requested the National Taxpayer Advocate to determine the taxpayer's best interest, a finding by the director that the withdrawal of notice is

in the best interest of the taxpayer will be sufficient to support withdrawal.

(5) *Examples.* The following examples illustrate the provisions of this paragraph (b):

Example 1. A is an employee of X Corporation. A notice of federal tax lien has been filed to secure an outstanding tax liability against A. A, who has no assets and no other secured creditors, has agreed to pay the balance of tax due through payroll deductions at a rate higher than the Internal Revenue Service could obtain through a wage levy in order to get the notice of federal tax lien withdrawn. X Corporation has agreed to allow A to enter into a payroll deduction agreement. In this situation, the director may withdraw the notice of federal tax lien to facilitate collection.

Example 2. A owes \$1,000 in federal income taxes. A enters into an agreement to pay the outstanding federal income tax liability in installments. The agreement provides that a notice of federal tax lien may be filed if the taxpayer defaults. A timely pays the installments each month and has not defaulted in any way. Eleven months after entering into the installment agreement, the Internal Revenue Service files a notice of federal tax lien. Noting that there has been no default, the taxpayer asks the Internal Revenue Service to withdraw the notice of federal tax lien. In this situation, the director may withdraw the notice of federal tax lien because the taxpayer has entered into an installment agreement that does not prohibit the withdrawal of the notice.

Example 3. A is the owner of a farm machinery dealership against whom a notice of federal tax lien has been filed to secure an outstanding tax liability. A currently is paying the tax liability by an installment agreement that prohibits the withdrawal of the notice of federal tax lien. X Corporation has agreed to provide A with 100 tractors to increase A's inventory if the notice of federal tax lien is withdrawn. A asks the Internal Revenue Service to withdraw the notice of federal tax lien. The director determines that the withdrawal of the notice of federal tax lien is in the best interest of the United States because it would enable A to generate additional tractor sales, and increased sales would enable A to increase the amount of his installment payments as well as reduce the amount of time needed to satisfy the liability. A, who has no other assets or secured creditors, has agreed to modify his installment agreement. If the National Taxpayer Advocate (or the director in lieu of the National Taxpayer Advocate) determines that the withdrawal is in the best interests of the taxpayer, the director may withdraw the notice of federal tax lien because withdrawal is in the best interest of the taxpayer and the United States. Alternatively, the director may withdraw the notice of federal tax lien to facilitate collection.

(c) *Determinations by the director.* The director must determine whether any of the conditions authorizing the withdrawal of a notice of federal tax lien exist if a taxpayer submits a request for withdrawal in accordance with

paragraph (d) of this section. The director also may make this determination based on information received from a source other than the taxpayer. If the director determines that conditions authorizing the withdrawal are not present, the director may not authorize the withdrawal. If the director determines conditions for withdrawal are present, the director may (but is not required to) authorize the withdrawal. If the basis for the withdrawal is the best interests of the taxpayer and the Internal Revenue Service, the taxpayer or the National Taxpayer Advocate must consent to the withdrawal.

(d) *Procedures for request for withdrawal—(1) Manner.* A request for the withdrawal of a notice of federal tax lien must be made in writing to the director (marked for the attention of the Chief, Special Procedures Function) of the district in which the notice of federal tax lien is filed.

(2) *Form.* The written request will include the following information and documents—

(i) Name, current address, and taxpayer identification number of the person requesting the withdrawal of notice of federal tax lien;

(ii) A copy of the notice of federal tax lien affecting the taxpayer's property, if available;

(iii) The grounds upon which the withdrawal of notice of federal tax lien is being requested;

(iv) A list of the names and addresses of any credit reporting agency and any financial institution or creditor that the taxpayer wishes the director to notify of the withdrawal of notice of federal tax lien; and

(v) A request to disclose the withdrawal of notice of federal tax lien to the persons listed in paragraph (d)(2)(iv) of this section.

(e) *Supplemental list of credit agencies, financial institutions, and creditors—(1) In general.* If the director grants a withdrawal of notice of federal tax lien, the taxpayer may supplement the list in paragraph (d)(2)(iv) of this section. If no list was provided in the request to withdraw the notice of federal tax lien, the list in paragraph (d)(2)(iv) of this section and the request for notification in paragraph (d)(2)(v) of this section may be submitted after the notice is withdrawn.

(2) *Manner.* A request to supplement the list of any credit agencies and any financial institutions or creditors that the taxpayer wishes the director to notify of the withdrawal of notice of federal tax lien must be sent in writing to the director (marked for the attention of the Chief, Special Procedures

Function) of the district in which the notice of federal tax lien is filed.

(3) *Form.* The request must include the following information and documents—

(i) Name, current address, and taxpayer identification number of the taxpayer requesting the notification of any credit agency or any financial institution or creditor of the withdrawal of notice of federal tax lien;

(ii) A copy of the notice of withdrawal, if available;

(iii) A supplemental list, identified as such, of the names and addresses of any credit reporting agency and any financial institution or creditor that the taxpayer wishes the director to notify of the withdrawal of notice of federal tax lien; and

(iv) A request to disclose the withdrawal of notice of federal tax lien to the persons listed in paragraph (e)(3)(iii) of this section.

(f) *Effective date.* This section is effective on or after the date final regulations are published in the **Federal Register** with respect to a withdrawal of any notice of federal tax lien.

Michael P. Dolan,

Deputy Commissioner of Internal Revenue.

[FR Doc. 99-16164 Filed 6-29-99; 8:45 am]

BILLING CODE 4830-01-U

DEPARTMENT OF EDUCATION

34 CFR Part 694

Office of Postsecondary Education; Gaining Early Awareness and Readiness for Undergraduate Programs; Negotiated Rulemaking Committee

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Notice of negotiated rulemaking on GEAR UP.

SUMMARY: We announce our intention to establish a negotiated rulemaking committee to draft proposed regulations to implement chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (HEA), "Gaining Early Awareness and Readiness for Undergraduate Programs" (GEAR UP). The committee will be balanced and representative of the significantly affected interests. We request nominations for participants from anyone who believes that his or her organization or group should participate in the negotiated rulemaking process for the development of the GEAR UP proposed regulations.

DATES: We will consider all nominations for membership on the committee received by Friday, July 9, 1999.

ADDRESSES: Please send your nomination to Philip Schulz, U.S. Department of Education, 400 Maryland Avenue, SW, Room 4020, ROB-3, Washington D.C. 20202-5243, or fax to Philip Schulz at (202) 260-5872. You may also email your nominations to: philip_schulz@ed.gov.

FOR FURTHER INFORMATION CONTACT:

Philip Schulz, U.S. Department of Education, 400 Maryland Avenue, SW, Room 4020, ROB-3, Washington, DC 20202-5243. Telephone: (202) 708-8429. If you use a telecommunications device for the deaf (TDD) you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

SUPPLEMENTARY INFORMATION: Section 492 of the Higher Education Act of 1965, as amended (HEA) requires that, before publishing any proposed regulations to implement programs under Title IV of the HEA, the Secretary obtain public involvement in the development of the proposed regulations. After obtaining advice and recommendations, the Secretary must conduct a negotiated rulemaking process to develop the proposed regulations.

On March 2, 1999, we published in the **Federal Register** (64 FR 10184) final regulations (applicable only to the fiscal year 1999 competition) to implement GEAR UP. Section 437(d) of the General Education Provisions Act exempts from the rulemaking requirements in the Administrative Procedure Act regulations governing the first grant competition under a new or substantially revised program authority (20 U.S.C. 1232(d)(1)). In order to make awards on a timely basis, we published the regulations for the fiscal year 1999 competition in final under the authority of section 437(d). Further, we determined that, to make grants under the competition before the funds expired, the use of negotiated rulemaking for the fiscal year 1999 competition would be impracticable and contrary to the public interest under section 492(b)(2) of the HEA.

We will develop the regulations that will apply to subsequent competitions for GEAR UP funding by following the negotiated rulemaking procedures in section 492 of the HEA. We intend to select participants for the negotiated

rulemaking process from nominees of the organizations or groups that represent the interests significantly affected by the proposed regulations. To the extent possible, we will select from the nominations individuals reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets, in accordance with section 492(b)(1) of the HEA.

Structure of Committees

The ultimate goal of negotiated rulemaking is to reach a consensus on the proposed regulations through discussion and negotiation among interested and affected parties, including the Department of Education. With this in mind, we will conduct these negotiations within a structure that is designed to meet this goal fairly and efficiently. We expect to keep the committee to somewhere between 15-18 members. We believe this is an appropriate number to allow significantly affected parties to be represented, without making the committee so large as to be unmanageable and potentially unsuccessful. We therefore encourage organizations and groups to work together to nominate someone that would represent a coalition of organizations or groups. The meetings will be open to the public.

Electronic Access to This Document

You may view this document, as well as all other Department of Education documents published in the **Federal Register**, in text or Adobe Portable Document Format (PDF) on the Internet at either of the following sites:

<http://ocfo.ed.gov/fedreg.htm>

<http://www.ed.gov/news.html>

To use the PDF you must have the Adobe Acrobat Reader Program with Search, which is available free at either of the previous sites. If you have questions about using the PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, D.C. area, at (202) 512-1530.

Note: The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO Access at: <http://www.access.gpo.gov/nara/index.html>.

(Catalog of Federal Domestic Assistance Number does not apply.)

Program Authority: 20 U.S.C. 1090a.