

## Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

### PART 1—INCOME TAXES

**Paragraph 1.** The authority citation for part 1 is amended by removing the entries for §§ 1.1275-7T and 1.1286-2T and adding two entries in numerical order to read in part as follows:

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

Section 1.1275-7 also issued under 26 U.S.C. 1275(d). \* \* \*

Section 1.1286-2 also issued under 26 U.S.C. 1286(f). \* \* \*

#### § 1.148-4 [Amended]

**Par. 2.** Section 1.148-4 is amended by:

1. Removing the "T" from the reference "§ 1.1275-7T" in paragraph (h)(2)(v)(A).
2. Removing the "T" from the reference "§ 1.1275-7T" in paragraph (h)(2)(v)(B).

#### § 1.163-13 [Amended]

**Par. 3.** Section 1.163-13 is amended by:

1. Removing the "T" from the reference "§ 1.1275-7T(f)(1)(ii)" in the next to the last sentence in paragraph (e)(2).
2. Removing the "T" from the reference "§ 1.1275-7T" in the last sentence in paragraph (e)(2).

#### § 1.171-3 [Amended]

**Par. 4.** Section 1.171-3 is amended by:

1. Removing the "T" from the reference "§ 1.1275-7T(f)(1)(i)" in the next to last sentence in paragraph (b).
2. Removing the "T" from the reference "§ 1.1275-7T" in the last sentence in paragraph (b).

**Par. 5.** In § 1.1271-0, paragraph (b) is amended by revising the entry for § 1.1275-7T to read as follows:

#### § 1.1271-0 Original issue discount; effective date; table of contents.

\* \* \* \* \*

(b) \* \* \*

\* \* \* \* \*

§ 1.1275-7 Inflation-indexed debt instruments.

\* \* \* \* \*

#### § 1.1275-4 [Amended]

**Par. 6.** Section 1.1275-4 is amended by removing the "T" from the reference "§ 1.1275-7T" in paragraph (a)(2)(vii).

#### § 1.1275-7T [Redesignated as § 1.1275-7]

**Par. 7.** Section 1.1275-7T is redesignated as § 1.1275-7 and the language "(temporary)" is removed from the section heading.

#### § 1.1286-2T [Redesignated as § 1.1286-2]

**Par. 8.** Section 1.1286-2T is redesignated as § 1.1286-2 and the language "(temporary)" is removed from the section heading.

**Par. 9.** Newly designated § 1.1286-2 is amended by removing the "T" from the reference "§ 1.1275-7T(e)".

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

Approved: August 25, 1999.

**Jonathan Talisman,**

*Deputy Assistant Secretary of the Treasury.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 301

[TD 8837]

RIN 1545-AV50

#### Revision of the Tax Refund Offset Program

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

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations relating to the administration of the Tax Refund Offset Program (TROP). This action is necessary because effective January 1, 1999, TROP, which had been administered by the IRS, was fully merged into the centralized administrative offset program known as the Treasury Offset Program (TOP), which is administered by the Financial Management Service (FMS). These regulations will affect State and Federal agencies that participate in TROP.

**DATES:** Effective Dates: These regulations are effective September 7, 1999.

**Dates of Applicability:** For dates of applicability of these regulations, see §§ 301.6402-5(h) and 301.6402-6(n).

**FOR FURTHER INFORMATION CONTACT:** Beverly A. Baughman, (202) 622-4940 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

This document contains final regulations on Procedure and Administration (26 CFR part 301) that revise the effective dates for regulations under section 6402(c) and (d). Those subsections provide rules relating to the offset of past-due support payments and debts owed to Federal agencies against Federal tax refunds, respectively.

On August 31, 1998, a notice of proposed rulemaking (REG-104565-97) under section 6402(c) and (d) was published in the **Federal Register** (63 FR 46205). Although written or electronic comments and requests for a public hearing were solicited, no comments were received and no public hearing was requested or held. The proposed regulations under section 6402(c) and (d) are adopted by this Treasury decision without revision.

#### Explanation of Provisions

Section 6402(c) provides, in general, that the amount of any overpayment to be refunded to the person making the overpayment must be reduced by the amount of any past-due support (as defined in section 464(c) of the Social Security Act) owed by that person of which the Secretary has been notified by a State in accordance with section 464 of the Social Security Act.

Section 6402(d) provides, in general, that upon receiving notice from any Federal agency that a named person owes a past-due, legally enforceable debt to that agency, the Secretary must reduce the amount of any overpayment payable to that person by the amount of the debt, pay the amount by which the overpayment is reduced to the agency, and notify the person making the overpayment that the overpayment has been reduced.

Prior to January 1, 1998, the IRS made offsets pursuant to section 6402(d) according to regulations prescribed under § 301.6402-6. Prior to January 1, 1999, the IRS made offsets pursuant to section 6402(c) according to regulations prescribed under § 301.6402-5.

Section 31001(v)(2) and (w) of the Debt Collection Improvement Act of 1996 (110 Stat. 1321-375), amended 42 U.S.C. 664(a)(2)(A) and 31 U.S.C. 3720A(h), respectively, to clarify that the disbursing agency of the Treasury Department may conduct tax refund offsets. The disbursing agency of the Treasury Department is the Financial Management Service (FMS).

The IRS and FMS agreed to merge the Tax Refund Offset Program (TROP), which had been administered by the IRS, into the centralized administrative offset program known as the Treasury Offset Program (TOP), which is administered by the FMS. The merger of the two programs is intended to maximize and improve the Treasury Department's government-wide collection of nontax debts, including those subject to offset against the debtor's federal tax refund. The full merger of TROP with TOP occurred on January 1, 1999.

Final rules concerning the manner in which the FMS will administer the collection of nontax Federal debts after the merger of TROP with TOP were published by the FMS in the **Federal Register** on August 28, 1998 (63 FR 46140) (codified at 31 CFR Part 285.2) effective for refunds payable after January 1, 1998. The regulations in this document provide an ending effective date for § 301.6402-6 to accommodate the beginning effective date of the FMS regulations. Accordingly, § 301.6402-6 does not apply to refunds payable after January 1, 1998.

Final rules concerning the manner in which the FMS will administer the collection of past-due support payments were published by the FMS in the **Federal Register** on December 30, 1998 (63 FR 72092) (codified at 31 CFR Part 285.3), effective for refunds payable after January 1, 1999. The regulations in this document provide an ending effective date for § 301.6402-5 to accommodate the beginning date for the full merger of TROP with TOP. Accordingly, § 301.6402-5 does not apply to refunds payable after January 1, 1999.

### 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 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 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, the notice of proposed rulemaking that preceded these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

### Drafting Information

The principal author of these regulations is Beverly A. Baughman of the Office of Assistant Chief Counsel (Income Tax and Accounting). However, other personnel from the IRS and the Treasury Department participated in the development of the regulations.

### List of Subjects in 26 CFR Part 301

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

### Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 301 is 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.** Section 301.6402-5 is amended by adding paragraph (h) to read as follows:

#### § 301.6402-5 Offset of past-due support against overpayments.

\* \* \* \* \*

(h) **Effective dates.** This section applies to refunds payable on or before January 1, 1999. For the rules applicable after January 1, 1999, see 31 CFR part 285.

**Par. 3.** Section 301.6402-6 is amended by revising paragraph (n) to read as follows:

#### § 301.6402-6 Offset of past-due, legally enforceable debt against overpayment.

\* \* \* \* \*

(n) **Effective dates.** This section applies to refunds payable under section 6402 after April 15, 1992, and on or before January 1, 1998. For the rules applicable after January 1, 1998, see 31 CFR part 285.

**Bob Wenzel,**

*Deputy Commissioner of Internal Revenue*

Approved: August 25, 1999.

**Jonathan Talisman,**

*Deputy Assistant Secretary of Treasury.*

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### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 180

[OPP-300916; FRL-6380-7]

RIN 2070-AB78

#### Avermectin B<sub>1</sub> and its delta-8,9-isomer; Pesticide Tolerance

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule.

**SUMMARY:** This regulation establishes a tolerance for combined residues of the insecticide avermectin B<sub>1</sub> (a mixture of avermectins containing greater than or equal to 80% avermectin B<sub>1a</sub> (5-O-demethyl avermectin A<sub>1</sub>) and less than or equal to 20% avermectin B<sub>1b</sub> (5-O-demethyl-25-de(1-methylpropyl)-25-(1-

methylethyl) avermectin A<sub>1</sub>)) and its delta-8,9-isomer in or on grapes at 0.02 parts per million (ppm), peppers at 0.02 ppm, and cotton gin byproducts at 0.15 ppm; makes permanent tolerances for citrus, hops, potatoes, meat and meat by-products, milk, and cotton seed which were previously time limited (expiring September 1, 1999); and clarifies that permanent tolerances have previously been established for almond hulls at 0.10 ppm and wet apple pomace at 0.10 ppm. Novartis Crop Protection, Inc. requested these tolerance actions under the Federal Food, Drug, and Cosmetic Act, as amended by the Food Quality Protection Act of 1996. **DATES:** This regulation is effective September 7, 1999. Objections and requests for hearings, identified by docket control number OPP-300916, must be received by EPA on or before November 8, 1999.

**ADDRESSES:** Written objections and hearing requests may be submitted by mail, in person, or by courier. Please follow the detailed instructions for each method as provided in Unit VI. of the "SUPPLEMENTARY INFORMATION" section. To ensure proper receipt by EPA, your objections and hearing requests must identify docket control number OPP-300916 in the subject line on the first page of your response. **FOR FURTHER INFORMATION CONTACT:** By mail: Thomas C. Harris, Registration Division (7505C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460; telephone number: (703) 308-9423; and e-mail address: harris.thomas@epa.gov.

#### SUPPLEMENTARY INFORMATION:

##### I. General Information

##### A. Does this Action Apply to Me?

You may be affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. Potentially affected categories and entities may include, but are not limited to:

Categories	NAICS	Examples of Potentially Affected Entities
Industry	111	Crop production
	112	Animal production
	311	Food manufacturing
	32532	Pesticide manufacturing

This listing is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in the table could also be affected. The North American Industrial Classification System