

DEPARTMENT OF THE TREASURY**Fiscal Service****31 CFR Part 285****RIN 1510-AA78****Offset of Tax Refund Payments to Collect State Income Tax Obligations**

AGENCY: Financial Management Service, Fiscal Service, Treasury.

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

SUMMARY: In the rules and regulations portion of this Federal Register, the Financial Management Service is issuing an interim rule setting forth the rules governing the offset of Federal tax refund payments to collect State income tax obligations. The Internal Revenue Service Restructuring and Reform Act of 1988 authorizes the Secretary of the Treasury to reduce or offset Federal tax refund payments to satisfy delinquent State income tax obligations. The

interim rule also serves as the text of this notice of proposed rulemaking.

DATES: Comments will be accepted until January 19, 2000.

ADDRESSES: All comments should be addressed to Gerry Isenberg, Financial Program Specialist, Debt Management Services, Financial Management Service, Department of the Treasury, 401 14th Street S.W., Room 151, Washington, D.C. 20227. A copy of this interim rule is being made available for downloading from the Financial Management Service web site at the following address: <http://www.fms.treas.gov>.

FOR FURTHER INFORMATION CONTACT: Dean Balamaci, Division Director, Debt Management Services, at (202) 874-6660; Ellen Neubauer or Ronda Kent, Senior Attorneys, at (202) 874-6680.

SUPPLEMENTARY INFORMATION: The interim rule in this issue of the **Federal Register** establishes 31 CFR part 285.8. For the text of the interim rule, see Offset of Tax Refund payments to collect State Income Tax Obligations,

Interim rule, published in the rules and regulations section of this issue of the **Federal Register**.

Regulatory Analyses

This proposed rule is not a significant regulatory action as defined in Executive Order 12866. It is hereby certified that this proposed rule will not have a significant economic impact on a substantial number of small entities. The basis for this certification is that this proposed rule only impacts individuals who owe delinquent income tax debt to States and receive a Federal tax refund payment. Therefore, a regulatory flexibility analysis is not required.

List of Subjects in 31 CFR Part 285

Administrative practice and procedures, Claims, Debts, Privacy, Taxes.

Richard L. Gregg,

Commissioner.

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