

LENCAK4527	2/20/2017	P770301
LENCAK5180	8/21/2017	P770302
LENCAJ4567	4/19/2017	P770303
LENCAK5148	3/5/2017	P770304
LENCAJ4590	2/25/2017	P770305
LENCAK4525	3/13/2017	P770306
LENCAK4551	4/25/2017	P770308
LENCAK5142	3/11/2017	P770311
LENCAK5143	2/28/2017	P770312
LENCAK4542	3/14/2017	P770313
LENCAK5181	3/8/2017	P770315
LENCAK7185	3/19/2017	P770316
LENCAK5161	3/21/2017	P770317
LENCAK4544	3/31/2017	P770333
LENCAJ4574	5/25/2017	P770348
LENCAK5183	7/3/2017	P770395
LENCAK4531	11/7/2016	SPARE
LENCAL3099	2/23/2017	SPARE
LENCAK5188	11/3/2017	SPARE
LENCAK5228	12/27/2017	SPARE
LENCAJ4582	12/27/2017	SPARE
LENCAL3091	2/1/2018	SPARE
LENCAK5237	2/5/2018	SPARE
LENCAK5227	2/5/2018	SPARE
LENCAL3092	2/5/2018	SPARE

BILLING CODE 4910-13-C**(h) Alternative Methods of Compliance (AMOCs)**

(1) The Manager, ECO Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the certification office, send it to the attention of the person identified in paragraph (i) of this AD. You may email your request to: *ANE-AD-AMOC@faa.gov*.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(i) Related Information

For more information about this AD, contact Kevin M. Clark, Aerospace Engineer, ECO Branch, FAA, 1200 District Avenue, Burlington, MA, 01803; phone: 781-238-7088; fax: 781-238-7199; email: *kevin.m.clark@faa.gov*.

(j) Material Incorporated by Reference

None.

Issued in Burlington, MA, on November 01, 2018.

Robert J. Ganley,

Manager, Engine and Propeller Standards Branch, Aircraft Certification Service.

[FR Doc. 2018-24250 Filed 11-6-18; 8:45 am]

BILLING CODE 4910-13-P

SOCIAL SECURITY ADMINISTRATION**20 CFR Part 418**

[Docket No. SSA-2018-0041]

RIN 0960-AI37

Income-Related Monthly Adjustment Amounts for Medicare Part B and Prescription Drug Coverage Premiums

AGENCY: Social Security Administration.

ACTION: Final rule.

SUMMARY: The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) changed the modified adjusted gross income (MAGI) ranges associated with Medicare Part B and Medicare prescription drug coverage premiums for years beginning in 2018.

The Bipartisan Budget Act of 2018 (BBA 2018) revised the MAGI ranges again for years beginning with 2019. We consider a beneficiary's MAGI and tax filing status to determine: The percentage of the unsubsidized Medicare Part B premium that the beneficiary must pay; and the percentage of the cost of basic Medicare prescription drug coverage the beneficiary must pay. This final rule makes our regulations consistent with the MAGI ranges specified by MACRA and BBA 2018.

DATES: This rule is effective November 7, 2018.

FOR FURTHER INFORMATION CONTACT:

Donald Murphy, Office of Income Security Programs, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-9090. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213, or TTY 1-800-325-0778, or visit our internet site, Social Security Online, at <http://www.socialsecurity.gov>.

SUPPLEMENTARY INFORMATION:

Background

For Medicare Part B, the income-related monthly adjustment amount (IRMAA) is the amount that a beneficiary must pay in addition to the Medicare Part B standard monthly premium when the beneficiary's MAGI is above a specified threshold.¹ For Medicare prescription drug coverage, IRMAA is an amount that a beneficiary will pay in addition to the Medicare prescription drug coverage plan monthly premium when the beneficiary's MAGI is above the specified threshold.²

To determine a beneficiary's IRMAA, we consider the beneficiary's MAGI, together with tax filing status, to determine: (1) The percentage of the unsubsidized Medicare Part B premium the beneficiary must pay; and (2) the percentage of the cost of basic Medicare prescription drug coverage that the beneficiary must pay.

In our regulations, we use lists and tables to show the MAGI ranges we use to determine IRMAA for specific years. The lists associated with both Medicare Part B and Medicare prescription drug coverage specify the MAGI ranges. The tables associated with Medicare Part B show, within each MAGI range, the percentage of the unsubsidized Medicare Part B premium that beneficiaries must pay and the percentage that will be subsidized by contributions from the Federal Government. The tables associated with prescription drug coverage show, within each MAGI range, the percentage of the cost of basic Medicare prescription drug coverage the beneficiaries must pay.

MACRA³ changed the MAGI ranges associated with Medicare Part B and prescription drug coverage premiums for years beginning in 2018. BBA 2018⁴ changed the MAGI ranges associated with Medicare Part B and prescription drug coverage premiums for years beginning in 2019. Based on these changes, we revised the lists and tables to show the updated MAGI ranges and associated figures for 2018 and for years beginning in 2019. In each case, the MAGI ranges are subject to an inflation adjustment for calendar years beginning in 2020, as we explain in sections 418.1105(c), 418.1115(e), 418.2105(c), and 418.2115(e).

¹ Medicare Part B standard monthly premiums may also be increased for late enrollment and for reenrollment. See 42 CFR 408.22 for an explanation.

² Medicare prescription drug coverage premiums may also be increased for the reasons found in 42 CFR 423.286.

³ Public Law 114–10, section 402, 129 Stat. 87, 160.

⁴ Public Law 115–123, section 53114.

Explanation of Changes

The changes detailed below make our regulations consistent with the updates specified by MACRA and BBA 2018.

In § 418.1115 and § 418.2115, we updated the lists of MAGI ranges for beneficiaries of all tax filing statuses for 2018 and for years beginning in 2019.

In § 418.1120 and § 418.2120, we added tables to show the figures that are applicable for 2018 and for years beginning in 2019. The tables in § 418.1120 show the updated MAGI ranges, and within each range, the percentage of the unsubsidized Medicare Part B premium that will be paid by beneficiaries and the percentage of the Medicare Part B premium that will be subsidized by contributions from the Federal Government. The tables in § 418.2120 show the updated MAGI ranges, and within each range, the percentage of the cost of basic Medicare prescription drug coverage that beneficiaries will pay.

We also made minor conforming changes in these sections.

Regulatory Procedures

We follow the Administrative Procedure Act (APA) rulemaking procedures specified in 5 U.S.C. 553 when we develop regulations. Generally, the APA requires that an agency provide prior notice and opportunity for public comment before issuing a final rule. The APA provides exceptions to its notice and public comment procedures when an agency finds there is good cause for dispensing with such procedures because they are impracticable, unnecessary, or contrary to the public interest.

We find that there is good cause under 5 U.S.C. 553(b)(B) to issue this regulatory change as a final rule without prior public comment. We find that prior public comment is unnecessary because this final rule merely makes our regulations (20 CFR 418.1115, 418.1120, 418.2115, and 418.2120) consistent with the MAGI ranges specified by MACRA and BBA 2018. BBA 2018 indicated that the new amounts for 2019 must be in place by calendar year 2019. Importantly, we have no agency discretion for establishing these figures. Accordingly, we find there is good cause to issue this final rule without prior public comment.

In addition, we find that there is good cause for dispensing with the 30-day delay in the effective date of a substantive rule provided by 5 U.S.C. 553(d)(3). As we explained above, these final rules merely make our regulations consistent with the MAGI ranges specified by Congress in the law. Those

MAGI ranges need to be in place by calendar year 2019. We find that it is unnecessary to delay the effective date of the final rule because the rule merely reflects the changes to the law that Congress has already made. In addition, we find that it is in the public interest to make this final rule effective on the date of publication in order to ensure that our rules accurately reflect the statute when the MAGI ranges for 2019 become effective.

Executive Order (E.O.) 12866, as Supplemented by E.O. 13563

We consulted with the Office of Management and Budget (OMB) and determined that this final rule does not meet the criteria for a significant regulatory action under E.O. 12866, as supplemented by E.O. 13563. Thus, OMB did not review the final rule.

We also determined that this final rule meets the plain language requirement of E.O. 12866.

E.O. 13132 (Federalism)

We analyzed this rule in accordance with the principles and criteria established by Executive Order 13132, and determined that the rule will not have sufficient Federalism implications to warrant the preparation of a Federalism assessment. We also determined that this rule will not preempt any State law or State regulation or affect the States' abilities to discharge traditional State governmental functions.

Regulatory Flexibility Act

We certify that these rules will not have a significant economic impact on a substantial number of small entities because they affect individuals only. Therefore, a regulatory flexibility analysis is not required under the Regulatory Flexibility Act, as amended.

E.O. 13771

This regulation does not impose novel costs on the public and as such is considered an exempt regulatory action under E.O. 13771.

Paperwork Reduction Act

This rule does not create any new or affect any existing collections and, therefore, does not require Office of Management and Budget approval under the Paperwork Reduction Act.

(Catalog of Federal Domestic Assistance Program Nos. 96.001, Social Security—Disability Insurance; 96.002, Social Security—Retirement Insurance; 96.004, Social Security—Survivors Insurance; and 96.006, Supplemental Security Income).

List of Subjects in 20 CFR Part 418

Administrative practice and procedure, Aged, Blind, Disability benefits, Medicare, Reporting and recordkeeping requirements.

Nancy A. Berryhill,

Acting Commissioner of Social Security.

For the reasons set forth in the preamble, we amend subpart B and subpart C of part 418 of title 20 of the Code of Federal Regulations as set forth below:

PART 418—MEDICARE SUBSIDIES**Subpart B—Medicare Part B Income-Related Monthly Adjustment Amount**

■ 1. The authority citation for subpart B of part 418 continues to read as follows:

Authority: Secs. 702(a)(5) and 1839(i) of the Social Security Act (42 U.S.C. 902(a)(5) and 1395r(i)).

■ 2. Amend § 418.1001 by revising the first sentence of the introductory text to read as follows:

§ 418.1001 What is this subpart about?

This subpart relates to section 1839(i) of the Social Security Act (the Act), as amended. * * *

* * * * *

■ 3. Amend § 418.1115 by:

■ a. Revising the first sentence of paragraph (a); and

■ b. Revising paragraphs (b), (c), (d), and (e).

The revisions read as follows:

§ 418.1115 What are the modified adjusted gross income ranges?

(a) We list the modified adjusted gross income ranges for the calendar years 2011 through and including 2017, 2018, and for years beginning in 2019 for each Federal tax filing category in paragraphs (b), (c) and (d) of this section. * * *

(b) The modified adjusted gross income ranges for individuals with a Federal tax filing status of single, head of household, qualifying widow(er) with dependent child, and married filing separately when the individual has lived apart from his/her spouse for the entire tax year for the year we use to make our income-related monthly adjustment amount determination are as follows.

(1) For calendar years 2011 through and including 2017—

(i) Greater than \$85,000 but less than or equal to \$107,000;

(ii) Greater than \$107,000 but less than or equal to \$160,000;

(iii) Greater than \$160,000 but less than or equal to \$214,000; and

(iv) Greater than \$214,000.

(2) For calendar year 2018—

(i) Greater than \$85,000 but less than or equal to \$107,000;

(ii) Greater than \$107,000 but less than or equal to \$133,500;

(iii) Greater than \$133,500 but less than or equal to \$160,000; and

(iv) Greater than \$160,000

(3) For calendar years beginning with 2019—

(i) Greater than \$85,000 but less than or equal to \$107,000;

(ii) Greater than \$107,000 but less than or equal to \$133,500;

(iii) Greater than \$133,500 but less than or equal to \$160,000;

(iv) Greater than \$160,000 but less than \$500,000; and

(v) Greater than or equal to \$500,000.

(c) The modified adjusted gross income ranges for individuals who are married and filed a joint tax return for the tax year we use to make the income-related monthly adjustment amount determination are as follows.

(1) For calendar years 2011 through and including 2017—

(i) Greater than \$170,000 but less than or equal to \$214,000;

(ii) Greater than \$214,000 but less than or equal to \$320,000;

(iii) Greater than \$320,000 but less than or equal to \$428,000; and

(iv) Greater than \$428,000.

(2) For calendar year 2018—

(i) Greater than \$170,000 but less than or equal to \$214,000;

(ii) Greater than \$214,000 but less than or equal to \$267,000;

(iii) Greater than \$267,000 but less than or equal to \$320,000; and

(iv) Greater than \$320,000.

(3) For calendar years beginning in 2019—

(i) Greater than \$170,000 but less than or equal to \$214,000;

(ii) Greater than \$214,000 but less than or equal to \$267,000;

(iii) Greater than \$267,000 but less than or equal to \$320,000;

(iv) Greater than \$320,000 but less than \$750,000; and

(v) Greater than or equal to \$750,000.

(d) The modified adjusted gross income ranges for married individuals who file a separate return and have lived with their spouse at any time during the tax year we use to make the income-related monthly adjustment amount determination are as follows.

(1) For calendar years 2011 through and including 2017—

(i) Greater than \$85,000 but less than or equal to \$129,000; and

(ii) Greater than \$129,000.

(2) For calendar year 2018—Greater than \$85,000.

(3) For calendar years beginning in 2019—

(i) Greater than \$85,000 but less than \$415,000; and

(ii) Greater than or equal to \$415,000.

(e)(1) Subject to paragraph (e)(2) of this section, in 2019, CMS will set the modified adjusted gross income ranges for 2020 and publish them in the **Federal Register**. In each year thereafter, CMS will set the modified adjusted gross income ranges by increasing the preceding year's ranges by any percentage increase in the Consumer Price Index rounded to the nearest \$1,000 and will publish the amounts for the following year in September of each year.

(2) The amounts listed in paragraphs (b), (c), and (d) of \$415,000, \$500,000, and \$750,000 will not be adjusted under paragraph (e)(1) of this section until 2028. Beginning in 2027, and in each year thereafter, CMS will adjust these range amounts for the following year under paragraph (e)(1) of this section and publish the updated ranges in the **Federal Register**.

■ 4. Amend § 418.1120 by revising paragraph (b) to read as follows:

§ 418.1120 How do we determine your income-related monthly adjustment amount?

* * * * *

(b) *Tables of applicable percentage.* The tables in paragraphs (b)(1) through (b)(3) of this section contain the modified adjusted gross income ranges for calendar years 2011 through and including 2017, 2018, and beginning in 2019 in the column on the left in each table. The middle column in each table shows the percentage of the unsubsidized Medicare Part B premium that will be paid by individuals with modified adjusted gross income that falls within each of the ranges. The column on the right in each table shows the percentage of the Medicare Part B premium that will be subsidized by contributions from the Federal Government. We use your tax filing status and your modified adjusted gross income for the tax year to determine which income-related monthly adjustment amount to apply to you. The dollar amount of income-related monthly adjustment for each range will be set annually for each year after 2019 as described in paragraph (c) of this section. The modified adjusted gross income ranges will be adjusted annually after 2019 as described in § 418.1115(e).

(1) *General tables of applicable percentages.* If, for the tax year, we use your filing status for your Federal income taxes for the tax year is single; head of household; qualifying widow(er) with dependent child; or married filing separately and you lived

apart from your spouse for the entire tax year, we will use the general tables of applicable percentages. When your modified adjusted gross income for the year we use is in the range listed in the left column in the following tables, then the Federal Government's Part B premium subsidy of 75 percent is reduced to the percentage listed in the right column. You will pay an amount based on the percentage listed in the center column.

Table 1 to paragraph (b)(1): Modified adjusted gross income effective in 2011–2017	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$85,000 but less than or equal to \$107,000	35	65
Greater than \$107,000 but less than or equal to \$160,000	50	50
Greater than \$160,000 but less than or equal to \$214,000	65	35
Greater than \$214,000	80	20

Table 2 to paragraph (b)(1): Modified adjusted gross income effective in 2018	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$85,000 but less than or equal to \$107,000	35	65
Greater than \$107,000 but less than or equal to \$133,500	50	50
Greater than \$133,500 less than or equal to \$160,000	65	35
Greater than \$160,000	80	20

Table 3 to paragraph (b)(1): Modified adjusted gross income effective beginning in 2019	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$85,000 but less than or equal to \$107,000	35	65
Greater than \$107,000 but less than or equal to \$133,500	50	50
Greater than \$133,500 but less than or equal to \$160,000	65	35
Greater than \$160,000 but less than \$500,000	80	20
Greater than or equal to \$500,000	85	15

(2) *Tables of applicable percentages for joint returns.* If, for the tax year, we use your Federal tax filing status is married filing jointly for the tax year and your modified adjusted gross income for that tax year is in the range listed in the left column in the following tables, then the Federal Government's Part B premium subsidy of 75 percent is reduced to the percentage listed in the right column. You will pay an amount based on the percentage listed in the center column.

Table 1 to paragraph (b)(2): Modified adjusted gross income effective in 2011–2017	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$170,000 but less than or equal to \$214,000	35	65
Greater than \$214,000 but less than or equal to \$320,000	50	50
Greater than \$320,000 but less than or equal to \$428,000	65	35
Greater than \$428,000	80	20

Table 2 to paragraph (b)(2): Modified adjusted gross income effective in 2018	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$170,000 but less than or equal to \$214,000	35	65
Greater than \$214,000 but less than or equal to \$267,000	50	50
Greater than \$267,000 but less than or equal to \$320,000	65	35
Greater than \$320,000	80	20

Table 3 to paragraph (b)(2): Modified adjusted gross income effective beginning in 2019	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$170,000 but less than or equal to \$214,000	35	65
Greater than \$214,000 but less than or equal to \$267,000	50	50
Greater than \$267,000 but less than or equal to \$320,000	65	35
Greater than \$320,000 but less than \$750,000	80	20
Greater than or equal to \$750,000	85	15

(3) *Tables of applicable percentages for married individuals filing separate returns.* If, for the tax year, we use your Federal tax filing status is married filing separately, you lived with your spouse

at some time during that tax year, and your modified adjusted gross income is in the range listed in the left column in the following tables, then the Federal Government's Part B premium subsidy

of 75 percent is reduced to the percentage listed in the right column. You will pay an amount based on the percentage listed in the center column.

Table 1 to paragraph (b)(3): Modified adjusted gross income effective in 2011–2017	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$85,000 but less than or equal to \$129,000	65	35
Greater than \$129,000	80	20

Table 2 to paragraph (b)(3): Modified adjusted gross income effective in 2018	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$85,000	80	20

Table 3 to paragraph (b)(3): Modified adjusted gross income effective beginning in 2019	Beneficiary percentage (percent)	Federal premium subsidy (percent)
Greater than \$85,000 but less than \$415,000	80	20
Greater than or equal to \$415,000	85	15

* * * * *

Subpart C—Income-Related Monthly Adjustments to Medicare Prescription Drug Coverage Premiums

■ 5. The authority citation for subpart C of part 418 continues to read as follows:

Authority: Secs. 702(a)(5), 1860D–13(a) and (c) of the Social Security Act (42 U.S.C. 902(a)(5), 1395w–113(a) and (c)).

■ 6. Amend § 418.2115 by:

■ a. Revising the first sentence in paragraph (a); and

■ b. Revising paragraphs (b), (c), (d), and (e).

The revisions read as follows:

§ 418.2115 What are the modified adjusted gross income ranges?

(a) We list the modified adjusted gross income ranges for the calendar years 2011 through and including 2017, 2018, and beginning in 2019 for each Federal tax filing category in paragraphs (b), (c) and (d) of this section. * * *

(b) The modified adjusted gross income ranges for individuals with a Federal tax filing status of single, head of household, qualifying widow(er) with dependent child, and married filing separately when the individual has lived apart from his/her spouse for the entire tax year for the year we use to make our income-related monthly adjustment amount determination are as follows:

(1) For calendar years 2011 through and including 2017—

(i) Greater than \$85,000 but less than or equal to \$107,000;

(ii) Greater than \$107,000 but less than or equal to \$160,000;

(iii) Greater than \$160,000 but less than or equal to \$214,000; and
(iv) Greater than \$214,000.

(2) For calendar year 2018—

(i) Greater than \$85,000 but less than \$107,000;

(ii) Greater than \$107,000 but less than \$133,500;

(iii) Greater than \$133,500 but less than \$160,000; and

(iv) Greater than \$160,000.

(3) For calendar years beginning in 2019—

(i) Greater than \$85,000 but less than or equal to \$107,000;

(ii) Greater than \$107,000 but less than or equal to \$133,500;

(iii) Greater than \$133,500 but less than or equal to \$160,000;

(iv) Greater than \$160,000 but less than \$500,000; and

(v) Greater than or equal to \$500,000.

(c) The modified adjusted gross income ranges for individuals who are married and filed a joint tax return for the tax year we use to make the income-related monthly adjustment amount determination are as follows.

(1) For calendar years 2011 through 2017—

(i) Greater than \$170,000 but less than or equal to \$214,000;

(ii) Greater than \$214,000 but less than or equal to \$320,000;

(iii) Greater than \$320,000 but less than or equal to \$428,000; and

(iv) Greater than \$428,000.

(2) For calendar year 2018—

(i) Greater than \$170,000 but less than or equal to \$214,000;

(ii) Greater than \$214,000 but less than or equal to \$267,000;

(iii) Greater than \$267,000 but less than or equal to \$320,000; and

(iv) Greater than \$320,000.

(3) For calendar years beginning in 2019—

(i) Greater than \$170,000 but less than or equal to \$214,000;

(ii) Greater than \$214,000 but less than or equal to \$267,000;

(iii) Greater than \$267,000 but less than or equal to \$320,000;

(iv) Greater than \$320,000 but less than \$750,000; and

(v) Greater than or equal to \$750,000.

(d) The modified adjusted gross income ranges for married individuals who file a separate return and have lived with their spouse at any time during the tax year we use to make the income-related monthly adjustment amount determination are as follows:

(1) For calendar years 2011 through and including 2017—

(i) Greater than \$85,000 but less than or equal to \$129,000; and

(ii) Greater than \$129,000.

(2) For calendar year 2018—Greater than \$85,000.

(3) For calendar years beginning in 2019—

(i) Greater than \$85,000 but less than \$415,000; and

(ii) Greater than or equal to \$415,000.

(e)(1) Subject to paragraph (e)(2) of this section, in 2019, CMS will set the modified adjusted gross income ranges

for 2020 and publish them in the **Federal Register**. In each year thereafter, CMS will set the modified adjusted gross income ranges by increasing the preceding year's ranges by any percentage increase in the Consumer Price Index rounded to the nearest \$1,000 and will publish the amounts for the following year in September of each year.

(2) The amounts listed in paragraphs (b), (c), and (d) of \$415,000, \$500,000, and \$750,000 will not be adjusted under paragraph (e)(1) of this section until 2028. Beginning in 2027, and in each year thereafter, CMS will adjust these range amounts for the following year under paragraph (e)(1) of this section and publish the updated ranges in the **Federal Register**.

■ 7. Amend § 418.2120 by revising paragraph (b) to read as follows:

§ 418.2120 How do we determine your income-related monthly adjustment amount?

* * * * *

(b) *Tables of applicable percentage.* The tables in paragraphs (b)(1) through (b)(3) of this section contain the modified adjusted gross income ranges for calendar years 2011 through and including 2017, 2018, and 2019, and the corresponding percentage of the cost of basic Medicare prescription drug coverage that individuals with modified adjusted gross incomes that fall within each of the ranges will pay. The monthly dollar amounts will be determined by CMS using the formula in section 1860D–13(a)(7)(B) of the Act. Based on your tax filing status for the tax year we use to make a determination about your income-related monthly adjustment amount, we will determine which table is applicable to you. We will use your modified adjusted gross income to determine which income-related monthly adjustment amount to

apply to you. The dollar amounts used for each of the ranges of income-related monthly adjustment will be set annually after 2019 as described in paragraph (c) of this section. The modified adjusted gross income ranges will be adjusted annually after 2019 as described in § 418.2115(e).

(1) *General tables of applicable percentages.* If your filing status for your Federal income taxes for the tax year we use is single; head of household; qualifying widow(er) with dependent child; or married filing separately and you lived apart from your spouse for the entire tax year, we will use the general tables of applicable percentages. When your modified adjusted gross income for the year we use is in the range listed in the left column in the following tables, you will pay an amount based on the percentage listed in the right column, which represents a percentage of the cost of basic Medicare prescription drug coverage.

Table 1 to paragraph (b)(1): Modified adjusted gross income effective in 2011–2017		Beneficiary percentage (percent)
Greater than \$85,000 but less than or equal to \$107,000		35
Greater than \$107,000 but less than or equal to \$160,000		50
Greater than \$160,000 but less than or equal to \$214,000		65
Greater than \$214,000		80
Table 2 to paragraph (b)(1): Modified adjusted gross income effective in 2018		Beneficiary percentage (percent)
Greater than \$85,000 but less than or equal to \$107,000		35
Greater than \$107,000 but less than or equal to \$133,500		50
Greater than \$133,500 but less than or equal to \$160,000		65
Greater than \$160,000		80
Table 3 to paragraph (b)(1): Modified adjusted gross income effective beginning in 2019		Beneficiary percentage (percent)
Greater than \$85,000 but less than or equal to \$107,000		35
Greater than \$107,000 but less than or equal to \$133,500		50
Greater than \$133,500 but less than or equal to \$160,000		65
Greater than \$160,000 but less than \$500,000		80
Greater than or equal to \$500,000		85

(2) *Tables of applicable percentages for joint returns.* If your Federal tax filing status is married filing jointly for the tax year we use and your modified

adjusted gross income for that tax year is in the range listed in the left column in the following tables, you will pay an amount based on the percentage listed

in the right column, which represents a percentage of the cost of basic Medicare prescription drug coverage.

Table 1 to paragraph (b)(2): Modified adjusted gross income effective in 2011–2017		Beneficiary percentage (percent)
Greater than \$170,000 but less than or equal to \$214,000		35
Greater than \$214,000 but less than or equal to \$320,000		50
Greater than \$320,000 but less than or equal to \$428,000		65
Greater than \$428,000		80

Table 2 to paragraph (b)(2): Modified adjusted gross income effective in 2018	Beneficiary percentage (percent)
Greater than \$170,000 but less than or equal to \$214,000	35
Greater than \$214,000 but less than or equal to \$267,000	50
Greater than \$267,000 but less than or equal to \$320,000	65
Greater than \$320,000	80

Table 3 to paragraph (b)(2): Modified adjusted gross income effective beginning in 2019	Beneficiary percentage (percent)
Greater than \$170,000 but less than or equal to \$214,000	35
Greater than \$214,000 but less than or equal to \$267,000	50
Greater than \$267,000 but less than or equal to \$320,000	65
Greater than \$320,000 but less than \$750,000	80
Greater than or equal to \$750,000	85

(3) *Tables of applicable percentages for married individuals filing separate returns.* If, for the tax year we use, your Federal tax filing status is married filing separately, you lived with your spouse

at some time during that tax year, and your modified adjusted gross income is in the range listed in the left column in the following tables, you will pay an amount based on the percentage listed

in the right column, which represents a percentage of the cost of basic Medicare prescription drug coverage.

Table 1 to paragraph (b)(3): Modified adjusted gross income effective in 2011–2017	Beneficiary percentage (percent)
Greater than \$85,000 but less than or equal to \$129,000	65
Greater than \$129,000	80

Table 2 to paragraph (b)(3): Modified adjusted gross income effective in 2018	Beneficiary percentage (percent)
Greater than \$85,000	80

Table 3 to paragraph (b)(3): Modified adjusted gross income effective beginning in 2019	Beneficiary percentage (percent)
Greater than \$85,000 but less than \$415,000	80
Greater than or equal to \$415,000	85

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[FR Doc. 2018–24336 Filed 11–6–18; 8:45 am]

BILLING CODE 4191–02–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9842]

RIN 1545–BO63

Tax Return Preparer Due Diligence Penalty Under Section 6695(g)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulation and removal of temporary regulation.

SUMMARY: This document contains final regulations relating to the tax return

preparer penalty. The final regulations are necessary to implement recent law changes that expand the scope of the tax return preparer due diligence penalty so that it applies to the child tax credit (CTC)/additional child tax credit (ACTC), and the American opportunity tax credit (AOTC) as well as to eligibility to file a return or claim for refund as head of household. The regulations affect tax return preparers.

DATES:

Effective date: These regulations are effective November 7, 2018.

Applicability date: For the applicability date, see § 1.6695–2(e).

FOR FURTHER INFORMATION CONTACT: Marshall French, 202–317–6845 (not a toll-free number).

Paperwork Reduction Act

The collection of information in current § 1.6695–2 was previously

reviewed and approved under control number 1545–1570. Control number 1545–1570 was discontinued in 2014, as the burden for the collection of information contained in § 1.6695–2 is reflected in the burden for Form 8867, “Paid Preparer’s Due Diligence Checklist,” under control number 1545–1629.

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to the Income Tax Regulations (26 CFR part 1) under section 6695(g) of the Internal Revenue Code (Code) regarding the tax return preparer due diligence requirements.

Prior to 2016, section 6695(g) imposed a penalty on tax return preparers who failed to comply with due diligence requirements set forth in regulations prescribed by the Secretary with respect