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IRS Publishes Proposed Regs on Excise Tax Return Requirement for Charitable Hospitals.

The IRS has published proposed regulations (REG-115300-13) requiring charitable hospital organizations that are liable for an excise tax for failing to meet the community health needs assessment requirements for any tax year to file Form 4720, "Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code."

The text of simultaneously issued temporary regs (T.D. 9629) also serves as the text of the proposed regs. Comments and public hearing requests are due by November 13.

Requirement of a Section 4959 Excise Tax Return

and Time for Filing the Return

[4830-01-p]

DEPARTMENT OF THE TREASURY

26 CFR Part 53

[REG-115300-13]

RIN 1545-BL57

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: In the Rules and Regulations section of this issue of the Federal Register, the IRS is issuing regulations requiring hospital organizations liable for the excise tax for failure to meet the community health needs assessment requirements for any taxable year to file Form 4720, "Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code." The regulations also specify the due date for such returns. The text of those temporary regulations also serves as the text of these proposed regulations. DATES: Written or electronic comments and requests for a public hearing must be received by November 13, 2013.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-115300-13), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-115300-13), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-115300-13).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Amy F. Giuliano at (202) 622-6070; concerning submission of comments and request for hearing, Oluwafunmilayo

Taylor at (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

Temporary regulations in the Rules and Regulations section of this issue of the Federal Register amend the existing regulations under sections 6011 and 6071 to (1) specify the form that must be used to accompany payment of the excise tax imposed by section 4959 for failure to meet the community health needs assessment requirements of section 501(r)(3), and (2) provide the due date for filing the form. Section 501(r) and section 4959 were enacted by section 9007 of the Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)).

The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. 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. It is hereby certified that this rule will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that this rule merely provides guidance as to the timing and filing of Form 4720 for charitable hospital organizations liable for the section 4959 excise tax, and completing the applicable portion (Schedule M) of the Form 4720 for this purpose imposes little incremental burden in time or expense. The liability for the section 4959 excise tax is imposed by statute, and not these regulations. In addition, a charitable hospital organization may already be required to file the Form 4720 under the existing final regulations in sections 53.6011-1 and 53.6071-1 if it is liable for another Chapter 41 or 42 excise tax. Therefore, 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 Code, these proposed regulations were submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business, and no comments were received.

Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the "Addresses" heading. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available at www.regulations.gov or upon request.

A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the Federal Register.

Drafting Information

The principal author of these regulations is Amy F. Giuliano, Office of Associate Chief Counsel (Tax Exempt and Government Entities). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 53

Excise taxes, Foundations, Investments, Lobbying, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 53 is proposed to be amended as follows:

PART 53 — FOUNDATION AND SIMILAR EXCISE TAXES

Paragraph 1. The authority citation for part 53 continues to read in part as follows:

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

Par. 2. Section 53.6011-1 is amended by:

1. Redesignating paragraphs (c) through (e) as (d) through (f).
2. Adding new paragraphs (c) and (g).

The addition reads as follows:

§ 53.6011-1 General requirement of return, statement or list.

(c) [The text of paragraph (c) of this section is the same as the text of § 53.6011-1T(c) published elsewhere in this issue of the Federal Register].

(g) [The text of paragraph (g) of this section is the same as the text of § 53.6011-1T(g) published elsewhere in this issue of the Federal Register].

Par. 3. Section 53.6071-1 is amended by:

1. Revising paragraph (h).
2. Adding paragraph (i).

The revision and addition read as follows:

§ 53.6071-1 Time for filing returns.

[The text of paragraphs (h) and (i) of this section is the same as the text of §§ 53.6071-1T(h) and (i)(1) and (2) published elsewhere in this issue of the Federal Register].

Heather C. Maloy

Acting Deputy Commissioner for

Services and Enforcement.