

which had jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

(6) State

The term "State" includes the Commonwealth of Puerto Rico and any possession of the United States.

(d) Coordination with other provisions

(1) In general

If the applicable requirements of sections 72, 104(a)(1), 104(a)(2), 130, and 461(h) were satisfied at the time the structured settlement involving structured settlement payment rights was entered into, the subsequent occurrence of a structured settlement factoring transaction shall not affect the application of the provisions of such sections to the parties to the structured settlement (including an assignee under a qualified assignment under section 130) in any taxable year.

(2) No withholding of tax

The provisions of section 3405 regarding withholding of tax shall not apply to the person making the payments in the event of a structured settlement factoring transaction.

(Added Pub. L. 107-134, title I, §115(a), Jan. 23, 2002, 115 Stat. 2436.)

EFFECTIVE DATE

Pub. L. 107-134, title I, §115(c), Jan. 23, 2002, 115 Stat. 2438, provided that:

"(1) IN GENERAL.—The amendments made by this section [enacting this chapter] (other than the provisions of section 5891(d) of the Internal Revenue Code of 1986, as added by this section) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after the 30th day following the date of the enactment of this Act [Jan. 23, 2002].

"(2) CLARIFICATION OF EXISTING LAW.—Section 5891(d) of such Code (as so added) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into before, on, or after such 30th day.

"(3) TRANSITION RULE.—In the case of a structured settlement factoring transaction entered into during the period beginning on the 30th day following the date of the enactment of this Act and ending on July 1, 2002, no tax shall be imposed under section 5891(a) of such Code if—

"(A) the structured settlement payee is domiciled in a State (or possession of the United States) which has not enacted a statute providing that the structured settlement factoring transaction is ineffective unless the transaction has been approved by an order, judgment, or decree of a court (or where applicable, a responsible administrative authority) which finds that such transaction—

"(i) does not contravene any Federal or State statute or the order of any court (or responsible administrative authority); and

"(ii) is in the best interest of the structured settlement payee or is appropriate in light of a hardship faced by the payee; and

"(B) the person acquiring the structured settlement payment rights discloses to the structured settlement payee in advance of the structured settlement factoring transaction the amounts and due dates of the payments to be transferred, the aggregate amount to be transferred, the consideration to be received by the structured settlement payee for the transferred payments, the discounted present value of the transferred payments (including the present

value as determined in the manner described in section 7520 of such Code), and the expenses required under the terms of the structured settlement factoring transaction to be paid by the structured settlement payee or deducted from the proceeds of such transaction."

Subtitle F—Procedure and Administration

Table with 2 columns: Chapter and Sec.1. Lists chapters 61 through 80 and their corresponding sections.

AMENDMENTS

1980—Pub. L. 96-589, §6(g)(3)(E), Dec. 24, 1980, 94 Stat. 3410, substituted "Jeopardy, receiverships, etc." for "Jeopardy, bankruptcy and receiverships" in item for chapter 70.

CHAPTER 61—INFORMATION AND RETURNS

Table with 2 columns: Subchapter and Sec.1. Lists subchapters A and B and their corresponding sections.

Subchapter A—Returns and Records

Table with 2 columns: Part and Sec.1. Lists parts I through VIII and their corresponding sections.

AMENDMENTS

1966—Pub. L. 89-809, title III, §302(b), Nov. 13, 1966, 80 Stat. 1588, added item VIII.

PART I—RECORDS, STATEMENTS, AND SPECIAL RETURNS

Table with 2 columns: Sec. and Sec.1. Lists section 6001 and its corresponding section.

§ 6001. Notice or regulations requiring records, statements, and special returns

Every person liable for any tax imposed by this title, or for the collection thereof, shall

1 Section numbers editorially supplied.