

**§ 6050U. Charges or payments for qualified long-term care insurance contracts under combined arrangements**

**(a) Requirement of reporting**

Any person who makes a charge against the cash value of an annuity contract, or the cash surrender value of a life insurance contract, which is excludible from gross income under section 72(e)(11) shall make a return, according to the forms or regulations prescribed by the Secretary, setting forth—

- (1) the amount of the aggregate of such charges against each such contract for the calendar year,
- (2) the amount of the reduction in the investment in each such contract by reason of such charges, and
- (3) the name, address, and TIN of the individual who is the holder of each such contract.

**(b) Statements to be furnished to persons with respect to whom information is required**

Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

- (1) the name, address, and phone number of the information contact of the person making the payments, and
- (2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished to the individual on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

(Added Pub. L. 109-280, title VIII, §844(d)(1), Aug. 17, 2006, 120 Stat. 1012.)

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section applicable to contracts issued after Dec. 31, 1996, but only with respect to taxable years beginning after Dec. 31, 2009, and to charges made after Dec. 31, 2009, see section 844(g)(1), (3) of Pub. L. 109-280, set out as an Effective Date of 2006 Amendment note under section 72 of this title.

**§ 6050V. Returns relating to applicable insurance contracts in which certain exempt organizations hold interests**

**(a) In general**

Each applicable exempt organization which makes a reportable acquisition shall make the return described in subsection (c).

**(b) Time for making return**

Any applicable exempt organization required to make a return under subsection (a) shall file such return at such time as may be established by the Secretary.

**(c) Form and manner of returns**

A return is described in this subsection if such return—

- (1) is in such form as the Secretary prescribes,
- (2) contains the name, address, and taxpayer identification number of the applicable ex-

empt organization and the issuer of the applicable insurance contract, and

(3) contains such other information as the Secretary may prescribe.

**(d) Definitions**

For purposes of this section—

**(1) Reportable acquisition**

The term “reportable acquisition” means the acquisition by an applicable exempt organization of a direct or indirect interest in any applicable insurance contract in any case in which such acquisition is a part of a structured transaction involving a pool of such contracts.

**(2) Applicable insurance contract**

**(A) In general**

The term “applicable insurance contract” means any life insurance, annuity, or endowment contract with respect to which both an applicable exempt organization and a person other than an applicable exempt organization have directly or indirectly held an interest in the contract (whether or not at the same time).

**(B) Exceptions**

Such term shall not include a life insurance, annuity, or endowment contract if—

- (i) all persons directly or indirectly holding any interest in the contract (other than applicable exempt organizations) have an insurable interest in the insured under the contract independent of any interest of an applicable exempt organization in the contract,
- (ii) the sole interest in the contract of an applicable exempt organization or each person other than an applicable exempt organization is as a named beneficiary, or
- (iii) the sole interest in the contract of each person other than an applicable exempt organization is—

(I) as a beneficiary of a trust holding an interest in the contract, but only if the person’s designation as such beneficiary was made without consideration and solely on a purely gratuitous basis, or

(II) as a trustee who holds an interest in the contract in a fiduciary capacity solely for the benefit of applicable exempt organizations or persons otherwise described in subclause (I) or clause (i) or (ii).

**(3) Applicable exempt organization**

The term “applicable exempt organization” means—

- (A) an organization described in section 170(c),
- (B) an organization described in section 168(h)(2)(A)(iv), or
- (C) an organization not described in paragraph (1) or (2) which is described in section 2055(a) or section 2522(a).

**(e) Termination**

This section shall not apply to reportable acquisitions occurring after the date which is 2 years after the date of the enactment of this section.

(Added Pub. L. 109-280, title XII, § 1211(a)(1), Aug. 17, 2006, 120 Stat. 1072.)

### Editorial Notes

#### REFERENCES IN TEXT

The date of the enactment of this section, referred to in subsec. (e), is the date of enactment of Pub. L. 109-280, which was approved Aug. 17, 2006.

#### CODIFICATION

Section 1211(a)(1) of Pub. L. 109-280, which directed the addition of section 6050V at the end of subpart B of part III of subchapter A of chapter 61, without specifying the act to be amended, was executed by adding section 6050V at the end of subpart B of part III of subchapter A of chapter 61 of this title, which consists of the Internal Revenue Code of 1986, to reflect the probable intent of Congress.

### Statutory Notes and Related Subsidiaries

#### EFFECTIVE DATE

Pub. L. 109-280, title XII, § 1211(d), Aug. 17, 2006, 120 Stat. 1074, provided that: “The amendments made by this section [enacting this section and amending sections 6721 and 6724 of this title] shall apply to acquisitions of contracts after the date of enactment of this Act [Aug. 17, 2006].”

### § 6050W. Returns relating to payments made in settlement of payment card and third party network transactions

#### (a) In general

Each payment settlement entity shall make a return for each calendar year setting forth—

- (1) the name, address, and TIN of each participating payee to whom one or more payments in settlement of reportable payment transactions are made, and
- (2) the gross amount of the reportable payment transactions with respect to each such participating payee.

Such return shall be made at such time and in such form and manner as the Secretary may require by regulations.

#### (b) Payment settlement entity

For purposes of this section—

##### (1) In general

The term “payment settlement entity” means—

- (A) in the case of a payment card transaction, the merchant acquiring entity, and
- (B) in the case of a third party network transaction, the third party settlement organization.

##### (2) Merchant acquiring entity

The term “merchant acquiring entity” means the bank or other organization which has the contractual obligation to make payment to participating payees in settlement of payment card transactions.

##### (3) Third party settlement organization

The term “third party settlement organization” means the central organization which has the contractual obligation to make payment to participating payees of third party network transactions.

##### (4) Special rules related to intermediaries

For purposes of this section—

#### (A) Aggregated payees

In any case where reportable payment transactions of more than one participating payee are settled through an intermediary—

- (i) such intermediary shall be treated as the participating payee for purposes of determining the reporting obligations of the payment settlement entity with respect to such transactions, and
- (ii) such intermediary shall be treated as the payment settlement entity with respect to the settlement of such transactions with the participating payees.

#### (B) Electronic payment facilitators

In any case where an electronic payment facilitator or other third party makes payments in settlement of reportable payment transactions on behalf of the payment settlement entity, the return under subsection (a) shall be made by such electronic payment facilitator or other third party in lieu of the payment settlement entity.

#### (c) Reportable payment transaction

For purposes of this section—

##### (1) In general

The term “reportable payment transaction” means any payment card transaction and any third party network transaction.

##### (2) Payment card transaction

The term “payment card transaction” means any transaction in which a payment card is accepted as payment.

##### (3) Third party network transaction

The term “third party network transaction” means any transaction described in subsection (d)(3)(A)(iii) which is settled through a third party payment network.

#### (d) Other definitions

For purposes of this section—

##### (1) Participating payee

###### (A) In general

The term “participating payee” means—

- (i) in the case of a payment card transaction, any person who accepts a payment card as payment, and
- (ii) in the case of a third party network transaction, any person who accepts payment from a third party settlement organization in settlement of such transaction.

###### (B) Exclusion of foreign persons

Except as provided by the Secretary in regulations or other guidance, such term shall not include any person with a foreign address. Notwithstanding the preceding sentence, a person with only a foreign address shall not be treated as a participating payee with respect to any payment settlement entity solely because such person receives payments from such payment settlement entity in dollars.

###### (C) Inclusion of governmental units

The term “person” includes any governmental unit (and any agency or instrumentality thereof).