

termining, under the internal revenue laws, in respect of any tax liability (including any interest, penalty, additional amount, or addition to the tax) of such taxpayer—

“(1) whether any of the acts described in paragraph (1) of section 7508(a) of the Internal Revenue Code of 1986 (without regard to the exceptions in parentheses in subparagraphs (A) and (B)) were performed within the time prescribed therefor; and

“(2) the amount of any credit or refund.

“(b) APPLICABILITY OF CERTAIN RULES.—For purposes of this section, rules similar to the rules of subsections (b) and (e) of section 7508 of the Internal Revenue Code of 1986 shall apply.”

ABATEMENT OF INTEREST ON UNDERPAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS

Pub. L. 105-34, title IX, §915, Aug. 5, 1997, 111 Stat. 879, as amended by Pub. L. 105-277, div. J, title IV, §4003(e)(1), Oct. 21, 1998, 112 Stat. 2681-909, provided that:

“(a) IN GENERAL.—If the Secretary of the Treasury extends for any period the time for filing income tax returns under section 6081 of the Internal Revenue Code of 1986 and the time for paying income tax with respect to such returns under section 6161 of such Code (and waives any penalties relating to the failure to so file or so pay) for any individual located in a Presidentially declared disaster area, the Secretary shall, notwithstanding section 7508A(b) of such Code, abate for such period the assessment of any interest prescribed under section 6601 of such Code on such income tax.

“(b) PRESIDENTIALLY DECLARED DISASTER AREA.—For purposes of subsection (a), the term ‘Presidentially declared disaster area’ means, with respect to any individual, any area which the President has determined during 1997 or 1998 warrants assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5121 et seq.].

“(c) INDIVIDUAL.—For purposes of this section, the term ‘individual’ shall not include any estate or trust.

“(d) EFFECTIVE DATE.—This section shall apply to disasters declared after December 31, 1996.”

Executive Documents

DEFERRING PAYROLL TAX OBLIGATIONS IN LIGHT OF THE ONGOING COVID-19 DISASTER

Memorandum of President of the United States, Aug. 8, 2020, 85 F.R. 49587, provided:

Memorandum for the Secretary of the Treasury

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

SECTION 1. *Policy.* The 2019 novel coronavirus (COVID-19) that originated in the People’s Republic of China has caused significant, sudden, and unexpected disruptions to the American economy. On March 13, 2020, I determined that the COVID-19 pandemic is of sufficient severity and magnitude to warrant an emergency declaration under section 501(b) [42 U.S.C. 5191(b)] of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121–5207, and that is still the case today. American workers have been particularly hard hit by this ongoing disaster. While the Department of the Treasury has already undertaken historic efforts to alleviate the hardships of our citizens, it is clear that further temporary relief is necessary to support working Americans during these challenging times. To that end, today I am directing the Secretary of the Treasury to use his authority to defer certain payroll tax obligations with respect to the American workers most in need. This modest, targeted action will put money directly in the pockets of American workers and generate additional incentives for work and employment, right when the money is needed most.

SEC. 2. *Deferring Certain Payroll Tax Obligations.* The Secretary of the Treasury is hereby directed to use his authority pursuant to 26 U.S.C. 7508A to defer the withholding, deposit, and payment of the tax imposed by 26 U.S.C. 3101(a), and so much of the tax imposed by 26 U.S.C. 3201 as is attributable to the rate in effect under 26 U.S.C. 3101(a), on wages or compensation, as applicable, paid during the period of September 1, 2020, through December 31, 2020, subject to the following conditions:

(a) The deferral shall be made available with respect to any employee the amount of whose wages or compensation, as applicable, payable during any bi-weekly pay period generally is less than \$4,000, calculated on a pre-tax basis, or the equivalent amount with respect to other pay periods.

(b) Amounts deferred pursuant to the implementation of this memorandum shall be deferred without any penalties, interest, additional amount, or addition to the tax.

SEC. 3. *Authorizing Guidance.* The Secretary of the Treasury shall issue guidance to implement this memorandum.

SEC. 4. *Tax Forgiveness.* The Secretary of the Treasury shall explore avenues, including legislation, to eliminate the obligation to pay the taxes deferred pursuant to the implementation of this memorandum.

SEC. 5. *General Provisions.* (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) You are authorized and directed to publish this memorandum in the Federal Register.

DONALD J. TRUMP.

§ 7509. Expenditures incurred by the United States Postal Service

The Postmaster General or his delegate shall at least once a month transfer to the Treasury of the United States a statement of the additional expenditures in the District of Columbia and elsewhere incurred by the United States Postal Service in performing the duties, if any, imposed upon such Service with respect to chapter 21, relating to the tax under the Federal Insurance Contributions Act, and the Secretary shall be authorized and directed to advance from time to time to the credit of the United States Postal Service, from appropriations made for the collection of the taxes imposed by chapter 21, such sums as may be required for such additional expenditures incurred by the United States Postal Service.

(Aug. 16, 1954, ch. 736, 68A Stat. 899; Pub. L. 94-455, title XIX, §1906(a)(52), (b)(13)(A), Oct. 4, 1976, 90 Stat. 1832, 1834.)

Editorial Notes

REFERENCES IN TEXT

The Federal Insurance Contributions Act, referred to in text, is act Aug. 16, 1954, ch. 736, §§3101, 3102, 3111,

3112, 3121 to 3128, 68A Stat. 415, as amended, which is classified generally to chapter 21 (§3101 et seq.) of this title. For complete classification of this Act to the Code, see section 3128 of this title and Tables.

AMENDMENTS

1976—Pub. L. 94-455 substituted “United States Postal Service” for “Post Office Department” in section catchline and wherever appearing in text, “such Service” for “such Department”, and struck out “, together with the receipts required to be deposited under section 6803(a),” after “Treasury of the United States” and “or his delegate” after “Secretary”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 effective first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1906(d)(1) of Pub. L. 94-455, set out as a note under section 6013 of this title.

§ 7510. Exemption from tax of domestic goods purchased for the United States

The privilege existing by provision of law on December 1, 1873, or thereafter of purchasing supplies of goods imported from foreign countries for the use of the United States, duty free, shall be extended, under such regulations as the Secretary may prescribe, to all articles of domestic production which are subject to tax by the provisions of this title.

(Aug. 16, 1954, ch. 736, 68A Stat. 900; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

Editorial Notes

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

[§ 7511. Repealed. Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77]

Section, act Aug. 16, 1954, ch. 736, 68A Stat. 900, related to exemption of consular officers and employees of foreign states from payment of internal revenue taxes on imported articles.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Repeal effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after Aug. 31, 1963, see section 501(a) of Pub. L. 87-456, title V, May 24, 1962, 76 Stat. 78.

§ 7512. Separate accounting for certain collected taxes, etc.

(a) General rule

Whenever any person who is required to collect, account for, and pay over any tax imposed by subtitle C or chapter 33—

- (1) at the time and in the manner prescribed by law or regulations (A) fails to collect, truthfully account for, or pay over such tax, or (B) fails to make deposits, payments, or returns of such tax, and
- (2) is notified, by notice delivered in hand to such person, of any such failure,

then all the requirements of subsection (b) shall be complied with. In the case of a corporation,

partnership, or trust, notice delivered in hand to an officer, partner, or trustee, shall, for purposes of this section, be deemed to be notice delivered in hand to such corporation, partnership, or trust and to all officers, partners, trustees, and employees thereof.

(b) Requirements

Any person who is required to collect, account for, and pay over any tax imposed by subtitle C or chapter 33, if notice has been delivered to such person in accordance with subsection (a), shall collect the taxes imposed by subtitle C or chapter 33 which become collectible after delivery of such notice, shall (not later than the end of the second banking day after any amount of such taxes is collected) deposit such amount in a separate account in a bank (as defined in section 581), and shall keep the amount of such taxes in such account until payment over to the United States. Any such account shall be designated as a special fund in trust for the United States, payable to the United States by such person as trustee.

(c) Relief from further compliance with subsection (b)

Whenever the Secretary is satisfied, with respect to any notification made under subsection (a), that all requirements of law and regulations with respect to the taxes imposed by subtitle C or chapter 33, as the case may be, will henceforth be complied with, he may cancel such notification. Such cancellation shall take effect at such time as is specified in the notice of such cancellation.

(Added Pub. L. 85-321, §1, Feb. 11, 1958, 72 Stat. 5; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 96-223, title I, §101(c)(3), Apr. 2, 1980, 94 Stat. 251; Pub. L. 100-418, title I, §1941(b)(2)(O), Aug. 23, 1988, 102 Stat. 1324.)

Editorial Notes

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-418, §1941(b)(2)(O)(i), substituted “or chapter 33” for “, by chapter 33, or by section 4986” in introductory provisions.

Subsec. (b). Pub. L. 100-418, §1941(b)(2)(O)(i), (ii), substituted “or chapter 33” for “, by chapter 33, or by section 4986” and “or chapter 33” for “, chapter 33, or section 4986”.

Subsec. (c). Pub. L. 100-418, §1941(b)(2)(O)(ii), substituted “or chapter 33” for “, chapter 33, or section 4986”.

1980—Subsecs. (a) to (c). Pub. L. 96-223 inserted references to tax imposed by section 4986.

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-418 applicable to crude oil removed from the premises on or after Aug. 23, 1988, see section 1941(c) of Pub. L. 100-418, set out as a note under section 164 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-223 applicable to periods after Feb. 29, 1980, see section 101(i) of Pub. L. 96-223, set out as a note under section 6161 of this title.