

Part III - Administrative, Procedural, and Miscellaneous

Reporting of Gross Proceeds Payments to Attorneys

Notice 99-53

This notice informs taxpayers that the Internal Revenue Service intends to delay for one year the effective date of the regulations proposed under § 6045 of the Internal Revenue Code (relating to the reporting of payments of gross proceeds to attorneys). The notice of proposed rulemaking (NPRM) was published in the Federal Register on May 21, 1999 (64 FR 27730), 1999-23 I.R.B. 14 (REG-105312-98). Section 1.6045-5(h) of the proposed Income Tax Regulations provides that the rules in § 1.6045-5 apply to payments made after December 31, 1999.

The Service has received many comments requesting that the effective date of the regulations be delayed and believes that a delayed effective date for the regulations is appropriate under the circumstances. Accordingly, when finalized, the rules in § 1.6045-5 will apply to payments made after December 31, 2000. Nevertheless, payments of gross proceeds to attorneys made after December 31, 1997, are and continue to be reportable on Form 1099-MISC pursuant to § 6045(f).

The principal author of this notice is A. Katharine Jacob Kiss, of the Office of the Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this notice contact Ms. Kiss on (202) 622-4920 (not a toll-free number).