

Part IV - Items of General Interest

Announcement 99-40

On July 1, 1998, temporary regulations (TD 8774) were published in the Federal Register (63 Fed. Reg. 35799) relating to the kerosene excise tax. Recently, a group of taxpayers has advised the Internal Revenue Service that the taxpayers were unaware that they needed to be registered by the IRS for purposes of this tax. To address the problem, the final kerosene tax regulations will provide the following rules:

(1) The period during which persons are treated as registered under the transitional registration rule, which currently is scheduled to expire on April 1, 1999, will instead expire on July 1, 1999; (2) Airlines, other aircraft operators, and fixed base operators that store kerosene in a terminal, and kerosene terminal operators will be treated as registered for purposes of the kerosene tax under the transitional registration rule.

Further, the IRS will provide an expedited kerosene tax registration procedure.

Under the expedited procedure, persons that apply for registration with their IRS district office by May 14, 1999, will be given either a conditional Letter of Registration or a denial by June 30, 1999. To apply, an applicant files Form 637, Application for Registration (For Certain Excise Tax Activities), under activity S. An "S" registration is in addition to any "H" or "Y" registration an applicant may have received. Form 637 is filed with the IRS district director for the district where the applicant has its principal place of business. An applicant may obtain the address of its district director by calling 1-800-829-1040. Applicants who do not have a principal place of business in the

United States file Form 637 with the IRS, Office of Assistant Commissioner (International), 950 L'Enfant Plaza South, SW, Attention: OP:IN:D:C:E, Washington, DC 20024.

The principal author of this announcement is Frank Boland of the Office of Assistant Chief Counsel (Passthroughs and Special Industries) . For further information regarding this announcement contact Frank Boland at (202) 622-3130 (not a toll-free call).