

Information Reporting – Royalty Payments

Notice 99–60

Section 6050N(a)(1) requires that every person who makes payments of royalties (or similar amounts) aggregating \$10 or more to any other person during the calendar year shall make a return according to the forms or regulations prescribed by the Secretary, setting forth the aggregate amount of such payments and the name and address of the person to whom paid. Section 6050N(a)(2) imposes this requirement on every person who receives payments of royalties (or similar amounts) as a nominee and who makes payments aggregating \$10 or more during any calendar year to any other person with respect to the royalties (or similar amounts) so received.

However, the reporting requirement of § 6050N does not apply to payments of royalties that are not subject to income tax because the royalties are derived directly by a noncompetent Indian from allotted and restricted land under the General Allotment Act, 25 U.S.C. §§ 331–358, or from land held under acts or treaties containing an exception provision similar to the General Allotment

Act. *See* Rev. Rul. 67–284, 1967–2 C.B. 55, *modified on another issue* by Rev. Rul. 74–13, 1974–1 C.B. 14, and *amplified on another issue* by Rev. Rul. 94–16, 1994–1 C.B. 19.

The principal author of this notice is Eric Lucas of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this notice contact Mr. Lucas at (202)