

Extension of Deadline for Comments to Notice 2001-72 and Notice 2001-73

Announcement 2002-8

The purpose of this announcement is to extend the deadline for comments to the proposed administrative rules set forth in Notice 2001-72 (2001-49 I.R.B. 548) and Notice 2001-73 (2001-49 I.R.B. 549) until April 23, 2002.

Background

On November 14, 2001, the Service issued proposed regulations entitled Application of the Federal Insurance Contributions Act, Federal Unemployment Tax Act and Collection of Income Tax at Source to Statutory Stock Options (66 Fed. Reg. 57023). The proposed regu-

lations provided rules regarding the application of employment taxes to statutory stock options, *i.e.* incentive stock options under section 422 of the Internal Revenue Code (Code) and options granted pursuant to an employee stock purchase plan under section 423 of the Code. As provided in the proposed regulations, written comments were required to be received by February 14, 2002. In addition, outlines of topics to be discussed at the public hearing were also required to be received by February 14, 2002, with the hearing to be held March 7, 2002.

The Service has extended the deadline for written comments on the proposed regulations so that comments must be received by April 23, 2002. Outlines of topics to be discussed at the public hearing must also be received by April 23, 2002, with the hearing rescheduled for May 14, 2002.

In conjunction with the issuance of the proposed regulations, the Service issued two Notices. Notice 2001-72 proposed rules regarding an employer's federal income tax withholding and reporting obligations upon the disposition of stock acquired pursuant to the exercise of a statutory stock option. Notice 2001-73 proposed rules of administrative convenience regarding the application of the Federal Insurance Contributions Act and Federal Unemployment Tax Act upon the exercise of a statutory stock option. Consistent with the proposed regulations, comments to Notice 2001-72 and Notice 2001-73 were due on February 14, 2002.

Extension of Deadline for Comments to Notice 2001-72 and Notice 2001-73

Consistent with the deadline for written comments to the proposed regulations, comments to Notice 2001-72 and Notice 2001-73 must be received by April 23, 2002. All comments will be available for copying and public inspection. Comments should reference Notice 2001-72 and/or Notice 2001-73 and be addressed to:

Associate Chief Counsel
(Tax Exempt and Government Entities)
CC:TEGE
ATTN: Employment Taxes and Statutory Stock Options
Room 5214

Internal Revenue Service
1111 Constitution Ave., N.W.
Washington, D.C. 20224

Drafting Information

The principal author of this announcement is Stephen Tackney of the Office of Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this announcement, contact Stephen Tackney at (202) 622-6040 (not a toll-free call).