

[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9349]

RIN 1545-BF01

Employee Benefits - Cafeteria Plans

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Removal of temporary regulations.

SUMMARY: This document removes the temporary regulations pertaining to benefits that may be offered to participants under a section 125 cafeteria plan. The temporary regulations were published in the **Federal Register** on February 4, 1986. Guidance issued by the IRS and the Treasury Department under section 125 have made these temporary regulations obsolete.

DATES: Effective Dates: These regulations are effective August 1, 2007.

FOR FURTHER INFORMATION CONTACT: Mireille Khoury at (202) 622-6080 (not a toll-free number).

SUPPLEMENTARY INFORMATION

Background

On February 4, 1986, the IRS and Treasury Department published temporary regulations on section 125. The temporary regulations were published in the **Federal Register** (TD 8073; 51 FR 4318) as section 1.125-2T. A notice of proposed rulemaking issued under section 125 (REG-142695-05) and other guidance issued by the IRS and

the Treasury Department under section 125 have made these temporary regulations obsolete. The temporary regulations are removed.

Special Analyses

It has been determined that this removal of temporary regulations is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to this removal of temporary regulations. This removal of temporary regulations does not impose a collection of information on small entities, thus the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, the preceding temporary regulations were submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of this removal of temporary regulations is Mireille Khoury, Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). However, personnel from Treasury participated in its development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

Paragraph 1. The authority citation for part 1 continues to read in part, as follows:

Authority: 26 U.S.C. 7805 * * *

§1.125-2T [Removed]

Par. 2. Section 1.125-2T is removed.

Deputy Commissioner for Services and Enforcement.

Kevin M. Brown

Approved: July 24, 2007

Assistant Secretary of the Treasury (Tax Policy).

Eric Solomon