systemic risk to the U.S. and whether they may produce a permanent residual class of swaps that are not cleared but instead result in the exchange of variation margin between eligible affiliate counterparties (and the risks associated with those swaps). I look forward to public comments on these questions and other aspects of the proposal.

[FR Doc. 2019–27207 Filed 12–20–19; 8:45 am]

BILLING CODE 6351–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[REG–116163–19]

RIN 1545–BP41

Misdirected Direct Deposit Refunds

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: These proposed regulations provide guidance on section 6402(n) of the Internal Revenue Code (Code), concerning the procedures for identification and recovery of a misdirected direct deposit refund. The regulations reflect changes to the law made by the Taxpayer First Act. The proposed regulations affect taxpayers who have made a claim for refund, requested the refund be issued as a direct deposit, but did not receive a refund in the account designated on the claim for refund.

DATES: Comments and requests for a public hearing must be received by February 21, 2020.

ADDRESSES: Submit electronic submissions via the Federal eRulemaking Portal at *www.regulations.gov* (indicate IRS and REG–116163–19) by following the online instructions for submitting comments. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comment received to its public docket, whether submitted electronically or in hard copy. Send hard copy submissions to: CC:PA:LPD:PR (REG–116163–19), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–116163–19), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed amendments to the regulations, Mary C. King at (202) 317–5433; concerning submissions of comments, or requests for a public hearing, Regina L. Johnson, at (202) 317–6901 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to 26 CFR part 301 under section 6402(n) of the Code and provides guidance on the procedures used to identify and recover tax refunds issued by electronic funds transfer (direct deposit) that were not delivered to the account designated to receive the direct deposit refund on the federal tax return or other claim for refund. These proposed regulations implement section 6402(n) of the Code, a new provision added by section 1407 of the Taxpayer First Act, Public Law 116–25, 133 Stat. 981 (2019) (TFA).

Section 6402(a) provides the Secretary of the Treasury or his delegate (Secretary) with the authority to refund the balance of an overpayment after first crediting the overpayment amount against any tax liability of the person who made the overpayment. Before any refund is issued, the balance must also be offset against certain nontax liabilities. Sections 6402(a), (c), (d), (e), and (f) require a taxpayer's overpayment to be applied to any outstanding Federal tax debt, past-due child support, Federal agency non-tax debt, State income tax obligation, or certain unemployment compensation debts owed to a state prior to crediting the overpayment to a future tax or issuing a refund. This application of a tax overpayment is called a refund offset. An offset occurs after a refund is certified by the IRS but prior to the issuance of the refund.

The procedures for making a claim for refund are set out in § 301.6402–2 of the Procedure and Administration Regulations. Those regulations include procedures for the mailing of a check in payment of allowed claims for refund. See § 301.6402–2(f). The procedures for sending a refund by direct deposit are set out in the Treasury Financial Manual, the Bureau of the Fiscal Service Green Book, and the regulations under 31 CFR part 210. The Treasury Financial Manual is available for downloading at the Bureau of the Fiscal Service's website at *https://tfm.fiscal.treasury.gov/home.html.* The Green Book is available for downloading at the Bureau of the Fiscal Service's website at *https://www.fiscal.treasury.gov/reference-guidance/green-book/.*

The IRS generally issues a refund in the manner requested on the claim for refund. This includes splitting a refund by authorizing direct deposits into multiple accounts using Form 8888, ''Allocation of Refund (Including Savings Bond Purchases).'' Under current procedures, if a taxpayer requests that the refund be issued as a direct deposit on a current year tax return, the IRS will generally issue the refund it determines to the account number and routing number designated on the claim. A direct deposit may be stopped or unable to be delivered for a number of reasons, including, but not limited to, an invalid routing number, rejection by a financial institution, or a processing error. If the direct deposit is stopped or returned prior to the delivery of the refund to the account designated on the claim for refund, the IRS will generally issue the refund in the form of a paper check.

Under current procedures, set out in Internal Revenue Manual (I.R.M.) sections 21.4.1, 21.4.2, and 21.4.3 and available at *https://www.irs.gov/irm,* a taxpayer or authorized representative may report a missing refund to the IRS by using an IRS customer service line or filing a Form 3911, ''Taxpayer Statement Regarding Refund.'' A taxpayer or authorized representative may also report a missing refund to the IRS through the Office of the Taxpayer Advocate (commonly referred to as the Taxpayer Advocate Service (TAS)). When a missing refund is reported, the IRS will first determine if a refund was issued to the taxpayer and whether a direct deposit transaction was made. If the refund was issued as a direct deposit, the IRS will verify the accuracy of the taxpayer's account number and routing number.

If the taxpayer reports a missing refund and the IRS confirms a refund was issued, the IRS will generally conduct a refund trace to determine why the refund was not delivered to the account of the taxpayer. A refund trace is the process by which the IRS tracks stolen, lost, or misplaced refund checks or verifies a financial institution received direct deposits and may replace an authorized refund to the taxpayer if warranted. A refund trace will be initiated when a taxpayer reports a missing refund and the IRS confirms a refund was issued as a direct deposit, even if the taxpayer reports that the account information designated on the claim for refund was incorrect. A refund trace is initiated by inputting a trace code into the IRS's Integrated Data Retrieval System (IDRS), which sends a request to the Treasury Department's Bureau of the Fiscal Service (BFS) for assistance in identifying information about the account into which the refund was made.

When the BFS receives a refund trace request from the IRS for a tax refund issued as a direct deposit, the BFS asks financial institutions for assistance in verifying that the institution received the direct deposit, identifying information about the account where the refund was made, and recovery of such amounts. The correct financial institution is identified by the routing number that appears on the claim for refund. The BFS uses FS Form 150.1, which is an official request from the Treasury Department to the financial institution to recover more information regarding the direct deposit. The information requested includes whether the financial institution received the refund; whether the financial institution returned the refund, will return the refund, or if no funds are available for return; whether the refund was deposited into the account of the taxpayer on whose behalf the request is being made; and the account number and account owner's identifying information.

When the IRS determines that a refund or a portion of a refund was made by direct deposit to an account that is not the account designated on the taxpayer's claim for refund, the refund is considered to be a misdirected direct deposit refund. A misdirected direct deposit refund occurs when the IRS has caused the error, such as when the IRS mistakenly inputs an incorrect account number from the claim for refund, or when a financial institution credits the payment to an account other than the account designated in the IRS's direct deposit instruction. *See* 31 CFR 210.8; *see also* Bureau of the Fiscal Service, Green Book: A Guide to Federal Government ACH Payments, at 2–6 (2016) (where a financial institution has misdirected a payment, the financial institution may be liable to the issuing agency if there is a resulting loss by the agency). When a misdirected direct deposit refund is discovered, the IRS will issue a replacement refund to the taxpayer in the full amount of the refund that was misdirected. This replacement refund is issued regardless of whether the IRS is able to recover the misdirected direct deposit refund that the taxpayer did not receive.

Occasionally, a taxpayer or authorized representative will designate an incorrect account or routing number on the claim for refund that will cause a refund to be disbursed to an account that is not the account of the taxpayer. When the IRS determines that a refund or a portion of a refund was made by direct deposit to the account designated on the taxpayer's claim for refund, the refund is not considered to be a ''misdirected direct deposit refund.'' Nevertheless, the IRS should generally initiate a refund trace for any reported missing refund that is issued as a direct deposit. In some instances, such as when the date of the direct deposit is less than five calendar days from when the missing refund is reported, the IRS will not initiate a refund trace immediately. Through the refund trace procedure, the IRS will coordinate with financial institutions and the BFS to request the return of a refund not deposited into the account of the taxpayer on whose behalf the request is being made. In cases when the taxpayer designates an incorrect account number on the claim for refund, the IRS will issue a replacement refund only after the IRS has recovered the original refund or a portion of the refund that was deposited in the incorrect account from the financial institution. When the financial institution returns the refund, the IRS will issue a replacement refund in the amount recovered. When the IRS has recovered only a portion of the refund that was directed to the incorrect account, only the portion recovered will be refunded to the taxpayer.

In other instances, a refund will be disbursed to the account designated to receive the refund, but the taxpayer will nevertheless not receive the refund that was disbursed. The IRS has separate procedures, reflected in I.R.M. 21.4.1, 21.4.2, and 21.4.3, to assist taxpayers whose refunds are not delivered to them despite the deposit of the refund in the account designated on the return or claim for refund. These procedures also include information on when the IRS will issue a replacement refund to victims of tax return preparer misconduct. See Form 14157–A, Tax Return Preparer Fraud or Misconduct Affidavit. However, refunds that are diverted from the correct taxpayer due to tax return preparer misconduct are not considered to be ''misdirected direct deposit refunds'' because they are deposited into the account listed on the claim for refund.

The TFA added section 6402(n) to the Code. Pursuant to section 6402(n)(1), the Secretary is required to establish procedures to allow taxpayers to report when a refund is not deposited into the taxpayer's account. Section 6402(n)(2) further directs the Secretary to establish procedures for coordination with financial institutions to identify the account to which a misdirected direct deposit refund has been made and to recover such refunds. Finally, under section 6402(n)(3), the Secretary is directed to establish procedures to allow a misdirected direct deposit refund to be delivered to the correct account of the taxpayer. These proposed regulations describe the procedures under section 6402(n) that will be used when a taxpayer or authorized representative notifies the IRS that the requested refund was not received. The proposed regulations adopt current IRS procedures for the reporting, identification, recovery, and delivery of misdirected direct deposit refunds.

Explanation of Provisions

I. Definitions

In § 301.6402–2(g)(1) of the proposed regulations, a misdirected direct deposit refund is defined as any refund of an overpayment of tax that is disbursed as a direct deposit but is not deposited into the account designated on the claim for refund to receive the direct deposit refund. This typically occurs when the IRS mistakenly inputs an incorrect account or routing number from the claim for refund, usually as a result of a processing or computer error. A misdirected direct deposit refund can also occur if a financial institution mistakenly credits the payment to an account other than the account designated in the IRS's direct deposit instruction. These proposed regulations are intended to serve taxpayers as part of the IRS's mission to provide top quality service by increasing awareness of the IRS procedures taxpayers may use to report missing direct deposit refunds and to streamline the identification and recovery of misdirected refunds. *See* H.R. Rep. No. 116–39, pt. 1, at 62 (2019) (although this report is for a prior, un-enacted version of the Taxpayer First Act, H.R. 1957, 116th Cong. (2019), section 1407 of that bill and that of the bill that was passed by the same Congress as Public Law 116–25 are identical).

Not all instances where a taxpayer fails to receive a direct deposit in the account designated on the claim for refund are the result of a misdirected direct deposit refund. The requested tax refund may have instead been issued in the form of a paper check or may not have been issued at all if the IRS adjusted the requested refund amount during the processing of the tax return or offset the requested tax refund to pay certain debts. In some scenarios, the refund is disbursed as a direct deposit, but is not deposited into the account in which the taxpayer expects the refund to be deposited. This includes instances of tax return preparer misconduct and taxpayers designating an incorrect account or routing number on the claim for refund. There are no significant variances between the proposed regulations and current I.R.M. procedures with regards to refunds that are deposited into the accounts designated on the claims for refund which are ultimately not received by the taxpayer.

The proposed regulations include in the definition of a misdirected direct deposit refund only those refunds which are actually issued as a direct deposit. A misdirected direct deposit refund therefore does not include an overpayment that is credited against another outstanding tax liability of the taxpayer pursuant to section 6402(a) or that is offset pursuant to the law. A refund that is offset or applied as mandated by law is not a misdirected direct deposit refund because these actions are mandated by law.

A refund issued as a check is not a misdirected direct deposit refund merely because the taxpayer requested the refund in the form of a direct deposit. Under current procedures, there are many reasons why a requested direct deposit will be issued as a paper check, including if the financial institution rejects or returns the direct deposit or the claim for refund is filed more than a year after the close of the tax year. Additional information on reasons why a direct deposit may be rejected can be found in I.R.M. 21.4.1.5.8.1, Direct Deposit Reject Reason Codes. If a refund is issued as a check, the taxpayer may then deposit the refund into the correct account.

II. Reporting

Section 301.6402–2(g)(2) of the proposed regulations designates the method of reporting a misdirected direct deposit refund. Under current procedures, taxpayers may submit Form 3911 to the IRS to report a missing refund. The Form 3911, including any future version of the Form, should be filed in accordance with the instructions provided. Alternatively, a taxpayer may report a missing refund orally through an IRS customer service line. If the IRS is unable to verify the identity of the caller through oral statements, the taxpayer may have to submit a written request on the Form 3911 to report a missing refund. Taxpayers may also report a missing refund, after scheduling an appointment, through submission of the Form 3911 in person at a Taxpayer Assistance Center. Where a taxpayer is experiencing a hardship, the taxpayer may report a missing refund to TAS by telephone, facsimile, mail or in person.

The proposed regulations direct taxpayers to use current procedures, including by allowing missing direct deposit refunds to be reported via Form 3911, a customer service line, TAS, and at Taxpayer Assistance Centers. This continuity aids in administering the refund procedures by using processes with which the public and the IRS are familiar. Any taxpayer missing a refund or a portion of a refund made by direct deposit may use the reporting procedures set out in § 301.6402–2(g)(2) of the proposed regulations. If the IRS determines a direct deposit was issued, it will initiate a refund trace for any missing refund in accordance with the procedures set out in § 301.6402–2(g)(3) of the proposed regulations.

III. Coordination With Financial Institutions

Under current procedures, the IRS coordinates with the BFS as well as financial institutions to locate and recover misdirected direct deposit refunds. When a taxpayer reports a missing direct deposit refund, the IRS will review its records to determine if a refund was issued or if there are indicators on the account signifying that an offset may have occurred. If the IRS determines that a refund was issued as a direct deposit, the IRS will initiate a refund trace, which sends a refund trace inquiry to the BFS. The BFS sends an official request on FS Form 150.1 to the financial institution to search for the electronic funds transfer. FS Form 150.1 requests the financial institution to identify the account into which the refund was made, as well as the identifying information of the account holder, including name and Social Security number.

The refund trace will ask for the assistance of the financial institution in the recovery of the refund if the refund was deposited into an account in error. If the financial institution is unable or unwilling to recover the refund, the IRS will separately contact the financial institution to request assistance in recovering the refund. The financial institution may return the refund through the procedures determined by the BFS. *See* Bureau of the Fiscal Service, Green Book: A Guide to Federal Government ACH Payments (2016). If the refund is recovered, a credit will be added to the taxpayer's account to reflect the return of the refund.

Section 301.6402–2(g)(3) of the proposed regulations formalizes current procedures. Where a direct deposit has been misdirected, this section of the regulations proposes to require the IRS to contact banks through the BFS to obtain the information necessary to identify whether the financial institution received the refund and the owner of the deposit account to whom the deposit was disbursed. The regulations further direct the IRS to utilize either BFS procedures or directly seek the assistance of the bank holding the misdirected direct deposit refund to recover the amount.

IV. Delivery of the Refund to the Correct Account

Section 301.6402–2(g)(4) of the proposed regulations establishes that when a misdirected direct deposit refund has been identified by the IRS, the IRS will issue a replacement refund in the full amount of the refund that was misdirected. The refund will generally be issued as soon as possible to make the taxpayer whole and limit credit interest. When a financial institution has indicated that a misdirected direct deposit refund will be returned to the IRS, the IRS generally issues a replacement refund after the misdirected refund is returned. The timing of the replacement refund is calculated to ensure that a replacement refund is not issued twice as a result of a returned refund being credited back to a taxpayer's account after a replacement refund has already been issued, resulting in an erroneous refund to the taxpayer. An erroneous refund is defined as the receipt of any money from the IRS to which the recipient is not entitled.

A replacement refund will generally be issued as a paper check, which the taxpayer may deposit into the correct account. The IRS is generally unable to change the account information for a direct deposit after the information has been input. For example, where the IRS has determined the refund is a misdirected direct deposit refund because it mistakenly input the account number from a claim for refund, the IRS usually cannot correct the incorrect account number. Thus, the taxpayer will receive the refund as a paper check. The check will be sent via postal service to the address listed on the master file. If the taxpayer updates their address through the Form 3911, the check will be mailed to the updated address.

In some limited instances, such as when TAS has worked with a taxpayer to establish hardship criteria, a replacement refund may be issued as a direct deposit. In general, however, to effectively administer the issuance of a replacement refund, the taxpayer will receive the refund in the form of a check. The taxpayer may then deposit the check into the proper account.

V. Application of Procedures to Missing Refunds

Section 301.6402–2(g)(5) of the proposed regulations provides that the reporting and coordination procedures found in § 301.6402–2(g)(2) through (3)(i) of the proposed regulations for misdirected direct deposit refunds should be used for any refund issued as a direct deposit that the taxpayer believes is missing. As with a misdirected direct deposit refund, once a refund is reporting as missing the IRS will coordinate with the BFS to track the missing refund and gather available information about the account into which the refund was deposited. Section 301.6402–2(g)(5) of the proposed regulations also provides that if a missing refund or a portion of a refund is returned to the IRS resulting in an overpayment on the taxpayer's account, the IRS will issue a refund in accordance with the law. As with a misdirected direct deposit refund, such overpayment may be credited against a federal tax liability or offset against certain non-tax liabilities prior to the issuance of a refund.

Proposed Applicability Date

The applicability date for these proposed regulations applies to claims for refund filed after the date final regulations are published in the **Federal Register**.

Special Analyses

This regulation is not subject to review under section 6(b) of Executive Order 12866 pursuant to the Memorandum of Agreement (April 11, 2018) between the Department of the Treasury and the Office of Management and Budget regarding review of tax regulations.

These proposed regulations do not impose any additional information collection requirements in the form of reporting, recordkeeping requirements, or third-party disclosure requirements related to tax compliance. However, because a taxpayer or a taxpayer's representative may elect to report a missing refund using the procedures described in proposed § 301.6402–2(g)(2)(ii)(B), some taxpayers may use a form to report a missing refund. The collection of information in proposed § 301.6402–2(g)(2)(ii)(B) is through use of a Form 3911, ''Taxpayer Statement Regarding Refund,'' and is the sole collection of information requirement established by the proposed regulations.

For the purposes of the Paperwork Reduction Act, 44 U.S.C. 3501–3520, the reporting burden associated with the collection of information with respect to section 6402(n) will be reflected in Paperwork Reduction Act submissions for IRS Form 3911 (OMB Control Number 1545–1384). The estimated average time to complete Form 3911 is five minutes. However, use of a form is not required. A taxpayer may instead elect to investigate a missing refund over the telephone or in person at a Taxpayer Assistance Center and, after the IRS identifies the tax refund and informs the taxpayer that the refund was issued as a direct deposit, orally report that the already-identified refund is missing. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

It is hereby certified that these proposed regulations will not have a significant economic impact on a substantial number of small entities within the meaning of section 601(6) of the Regulatory Flexibility Act (5 U.S.C. chapter 6). The certification is based on the information that follows. There is no significant impact from these regulations on any small entity utilizing the procedures prescribed by these regulations to report a missing refund because there is no significant cost associated with reporting a missing refund. There is no fee charged in connection with reporting a missing refund, and the estimated time to complete a Form 3911, ''Taxpayer Statement Regarding Refund,'' is five minutes. There are no tax consequences associated with the proposed regulations, as it merely sets forth the procedures for reporting a missing refund and describes the process the IRS uses in locating a missing refund and, in some instances, issuing a replacement refund. The process in these proposed regulations mirrors the existing process and does not change the reporting burden. Accordingly, this regulation is not expected to have a significant economic impact on a substantial number of small entities. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business entities. The Treasury Department and the IRS invite comments on any impact these proposed regulations would have on small business entities.

Section 202 of the Unfunded Mandates Reform Act of 1995 requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a state, local, or tribal government, in the aggregate, or by the private sector, of $100 million in 1995 dollars, updated annually for inflation. In 2018, that threshold is approximately $150 million. This rule does not include any Federal mandate that may result in expenditures by state, local, or tribal governments, or by the private sector in excess of that threshold.

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on state and local governments, and is not required by statute, or preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This proposed rule does not have federalism implications, and does not impose substantial direct compliance costs on state and local governments or preempt state law, within the meaning of the Executive Order.

Comments and Requests for a Public Hearing

Before these proposed amendments to the regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in the preamble under the **ADDRESSES** section. The Treasury Department and the IRS request comments on all aspects of the proposed regulations. All comments submitted will be made available at *http://www.regulations.gov* or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, then notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these regulations is Mary C. King of the Office of the Associate Chief Counsel (Procedure and Administration). Other personnel from the Treasury Department and the IRS participated in the development of the regulations.

List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 301 is proposed to be amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

■ **Paragraph 1.** The authority citation for part 301 is amended by adding entries in numerical order to read in part as follows:

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

* * * * *

Section 301.6402–2(g) also issued under section 6402(n).

* * * * *

■ **Par. 2.** Section 6402–2 is amended by:

■ 1. Redesignating paragraph (g) as paragraph (h) and adding new paragraph (g).

■ 2. Revising the paragraph heading of newly redesignated paragraph (h) and adding a sentence at the end of the paragraph.

The additions and revisions read as follows:

§ 301.6402–2 Claims for credit or refund.

* * * * *

(g) *Misdirected direct deposit refund*—(1) *Definition.* The term *misdirected direct deposit refund* includes any refund of an overpayment of tax that is disbursed as a direct deposit but is not deposited into the account designated on the claim for refund to receive the direct deposit refund. A misdirected direct deposit refund does not include any amount that is credited or offset pursuant to the law in effect immediately prior to the direct deposit being disbursed.

(2) *Procedures for reporting a misdirected direct deposit refund*—(i) *In general.* A taxpayer or a taxpayer's authorized representative may report to the IRS that the taxpayer never received a direct deposit refund and request a replacement refund. The report must include the name of the taxpayer who requested the refund, the taxpayer identification number of the taxpayer, the taxpayer's mailing address, the type of return to which the refund is related, the account number and routing number that the taxpayer requested the refund be directly deposited into, and any other information necessary to locate the misdirected direct deposit refund.

(ii) *How to report a misdirected direct deposit refund.* A reporting described in paragraph (g)(2)(i) of this section may be made in the following ways:

(A) By calling the IRS;

(B) On the form prescribed by the IRS and in accordance with the applicable publications, instructions, or other appropriate guidance;

(C) By contacting the Office of the Taxpayer Advocate by telephone, by mail, facsimile, or in person; or

(D) By submitting the appropriate form in person at a Taxpayer Assistance Center.

(3) *Procedures for coordination with financial institutions*—(i) *Identification of the account that received the misdirected direct deposit refund.* If the IRS receives a report described in paragraph (g)(2)(ii) of this section and confirms that the refund described in the report was issued as a direct deposit, the IRS will initiate a refund trace to request the assistance of the Department of the Treasury's Bureau of the Fiscal Service. In accordance with its own procedures, the Bureau of the Fiscal Service coordinates with the financial institution that holds directly or indirectly the deposit account into which the refund was made, requesting from the financial institution such information as is necessary to identify whether the financial institution received the refund; whether the financial institution returned, or will return, the refund to the IRS, or if no funds are available for return; whether a deposit was made into the account designated on the claim for refund; and the identity of the deposit account owner to whom the deposit was disbursed.

(ii) *Coordination to recover the amounts transferred.* Recovery of the misdirected direct deposit refund from a financial institution shall follow the procedures established by the Bureau of the Fiscal Service. The Bureau of the Fiscal Service shall request the return of the misdirected direct deposit refund from the financial institution that received it. The IRS may contact the financial institution directly to recover the misdirected direct deposit refund.

(4) *Issuance of replacement refund.* When the IRS has determined that a misdirected direct deposit refund has occurred, the IRS will issue a replacement refund in the full amount of the refund that was misdirected. The replacement refund may be issued as a direct deposit or as a paper check sent to the taxpayer's last known address.

(5) *Applicability of this paragraph (g) to missing refunds.* The provisions of paragraphs (g)(2) through (3)(i) of this section should be used for any refund that was disbursed as a direct deposit and that the taxpayer reports as missing. For example, although a refund that was deposited into an incorrect bank account because the taxpayer transposed two digits in their bank account number is not considered to be a misdirected direct deposit refund, the provisions of paragraphs (g)(2) through (3)(i) of this section should be used. If the application of these procedures results in an amount recovered by the IRS, the recovered amount will be refunded or credited as allowed by law.

* * * * *

(h) *Applicability dates.* * * * Paragraph (g) of this section applies to claims for refund filed after [DATE THE FINAL REGULATIONS ARE PUBLISHED IN THE **Federal Register**].

Sunita Lough,

Deputy Commissioner for Services and Enforcement.

[FR Doc. 2019–27653 Filed 12–19–19; 4:15 pm]

BILLING CODE 4830–01–P

POSTAL REGULATORY COMMISSION

39 CFR Part 3017

[Docket No. RM2020–3; Order No. 5353]

Procedures Related to Commission Views

AGENCY: Postal Regulatory Commission.

ACTION: Proposed rule.

SUMMARY: The Commission proposes revisions to its rules related to the Commission's process for developing views submitted to the Secretary of State on certain international mail matters. The Commission invites public comment on the propose rules.

DATES: *Comments are due:* January 22, 2020.

ADDRESSES: For additional information, Order No. 5353 can be accessed electronically through the Commission's website at *https://www.prc.gov.* Submit comments electronically via the Commission's Filing Online system at *http://www.prc.gov.* Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Relevant Statutory Requirements

Section 407(c)(1) of title 39 of the United States Code requires that the Secretary of State, before concluding a treaty, convention, or amendment establishing a market dominant rate or classification, request the Commission's views on the consistency of such rate or classification with the modern rate-setting criteria of 39 U.S.C. 3622. Commission views entail the review and analysis of numerous proposals from the UPU or its member countries, which are typically posted on the UPU website pursuant to a series of deadlines that