

ACTION: Notice and request for comments.

SUMMARY: In order to comply with the requirements of the Paperwork Reduction Act of 1995 concerning proposed extensions of information collection requirements, FinCEN is soliciting comments concerning Treasury Form TD F 90–22.49, Suspicious Activity Report by Casinos (“SARC”), which is used by Nevada casinos to file reports with the U.S. Department of the Treasury of potentially suspicious transactions and activities that may occur by, at, or through a Nevada casino.

DATES: Written comments must be received on or before July 23, 2001.

ADDRESSES: Direct all written comments to the Financial Crimes Enforcement Network, Office of Compliance and Regulatory Enforcement, Attn.: SARC Comments, Suite 200, 2070 Chain Bridge Road, Vienna, VA 22182–2536.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or for a copy of the SARC form should be directed to Leonard C. Senia, Regulatory Program Specialist (Team Leader), Office of Compliance and Regulatory Enforcement, (202) 354–6412; or Stacie A. Larson, Office of Chief Counsel, (703) 905–3590. A copy of the SARC form can be obtained through the Internet at <http://www.treas.gov/fincen/forms.html>. (Also, comments may be submitted by electronic mail to the following Internet address: “regcomments@fincen.treas.gov” with the caption in the body of the text, “Attention: PRA Comments—SARC”).

SUPPLEMENTARY INFORMATION: The gaming regulation of the State of Nevada requires certain casinos licensed by that state to report suspicious transactions to the Treasury Department. *See*, Nevada Gaming Commission Regulation 6A, Section 100, effective October 1, 1997. Regulation 6A applies to all Nevada casinos with gross annual gaming revenue in excess of \$10 million and having an annual table games statistical win in excess of \$2,000,000. TD F 90–22.49 is the form used to make the report.

Information collected on the SARC will be made available, in accordance with strict safeguards, to appropriate criminal law enforcement and regulatory personnel in the official performance of their duties. The information collected is used for regulatory purposes and in investigations involving money laundering, tax violations, fraud, and other financial crimes.

This notice proposes no changes to the current text of the TD F 90–22.49 or its instructions.

In accordance with requirements of the Paperwork Reduction Act of 1995, 44 U.S.C. 3506(c)(2)(A), and its implementing regulations, 5 CFR 1320, the following information concerning the collection of information on TD F 90–22.49, is presented to assist those persons wishing to comment on the information collection. The estimates below are based on FinCEN’s experience with SARC forms that were filed during calendar year 2000.

Title: Suspicious Activity Report by Casinos (“SARC”).

Form Number: TD F 90–22.49.

OMB Number: 1506–0006.

Type of Request: Extension of a currently approved information collection.

Description of Respondents: Businesses.

Estimated Number of Respondents: 110.

Estimated Number of Annual Responses: 107.

Frequency: As required.

Estimate of Burden: Reporting average of 31 minutes per response; recordkeeping average of 5 minutes per response.

Estimate of Total Annual Burden on Respondents: Reporting burden estimate=55 hours; recordkeeping burden estimate=9 hours. Estimated combined total of 64 hours.

Estimate of Total Annual Cost to Respondents for Hour Burdens: Based on \$20 per hour, the total cost to the public is estimated to be \$1,280.

Estimate of Total Other Annual Costs to Respondents: None.

Request for Comments

FinCEN specifically invites comments on the following subjects: (a) Whether the proposed collection of information is necessary for the proper performance of the mission of FinCEN, including whether the information shall have practical utility; (b) the accuracy of FinCEN’s estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

In addition, the Paperwork Reduction Act of 1995 requires agencies to estimate the total annual cost burden to respondents or recordkeepers resulting from the collection of information. Thus, FinCEN also specifically requests

comments to assist with this estimate. In this connection, FinCEN requests commenters to identify any additional costs associated with the completion of the form. These comments on costs should be divided into two parts: (1) Any additional costs associated with reporting; and (2) any additional costs associated with recordkeeping.

Responses to the questions posed by this notice will be summarized and included in the request for Office of Management and Budget approval. All comments will become a matter of public record.

Dated: May 15, 2001.

James F. Sloan,

Director, Financial Crimes Enforcement Network.

[FR Doc. 01–13059 Filed 5–22–01; 8:45 am]

BILLING CODE 4820–03–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

[Docket No. 01–10]

Preemption Determination

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Notice.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is publishing its response to a written request for the OCC’s opinion of whether Federal law would preempt a Michigan statute, as interpreted by the Michigan Financial Institutions Bureau, that limits the ability of national banks to make loans to finance motor vehicle sales. The OCC has determined that the state law, as interpreted, would be preempted under Federal law.

FOR FURTHER INFORMATION CONTACT: MaryAnn Nash, Counsel, or Mark Tenhundfeld, Assistant Director, Legislative and Regulatory Activities Division, (202) 874–5090.

SUPPLEMENTARY INFORMATION: The request for a preemption opinion was submitted by two national banks, headquartered in Ohio, that are engaged in the business of motor vehicle financing in Ohio and other states (collectively, the Requesters). As part of that business, the Requesters engage in motor vehicle sales financing through automobile dealers. In these arrangements, the Requesters enter into agreements with dealers under which the dealers act as the Requesters’ agents for the purpose of soliciting loans to finance motor vehicles, taking applications for the vehicle loans,

preparing loan documentation, and obtaining the buyers' signatures. The Requesters prescribe the terms of the loan, including the interest rate, fund the loan, and issue loan approvals in Ohio.

In a ruling dated January 1, 2000, the Michigan Financial Institutions Bureau (FIB) issued a declaratory ruling in which it concluded that the proposed arrangement between the Requesters and the dealers would result in "installment sales contracts" governed by the Michigan Motor Vehicle Sales Act (MVSFA). Compliance with the MVSFA effectively would prohibit the Requesters from originating motor vehicle loans using dealers as agents.

The Requesters have asked for the OCC's opinion on whether the National Bank Act would preempt the MVSFA as interpreted by the FIB. The Requesters note that the National Bank Act expressly authorizes national banks to make loans as well as to engage in activities incidental to lending. 12 U.S.C. 24 (Seventh). The Requesters assert the FIB's characterization of its proposed program as an "installment sales contract" subject to the provisions of the MVSFA impairs their ability to exercise a Federally authorized power.

As is explained in greater detail in the response, the OCC agrees that national banks are authorized under 12 U.S.C. 24 (Seventh) to engage in the business of lending, either directly or through an agent. The OCC further agrees that the Michigan law, as interpreted by the FIB, would be preempted. It frustrates the Requesters' ability to exercise their lending authority by limiting the Requesters' use of agents, it prohibits the Requesters from charging interest rates permitted by their home state as authorized by 12 U.S.C. 85, and it seeks to apply a state licensing requirement to national banks, as a precondition to their exercise of powers granted under Federal law.

Section 114 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 generally requires the OCC to publish notice in the **Federal Register** of requests for preemption opinions in one of the four specified areas: community reinvestment, consumer protection, fair lending, or the establishment of intrastate branches. 12 U.S.C. 43. Section 114 also requires the OCC to publish any final opinion letter in which the OCC concludes that Federal law preempts a state law in one of these four areas. Without expressly determining whether section 114 applied to this request, the OCC published a Notice of Request for Preemption Determination dated October 25, 2000 (65 FR 63917). The

OCC is publishing its response to the request as an appendix to this notice.

Dated: May 15, 2001.

John D. Hawke, Jr.,

Comptroller of the Currency.

Appendix

Thomas A. Plant

Senior Vice President, Assistant General Counsel, National City Bank, 1900 East Ninth Street, Cleveland, OH 44114-3484

Daniel W. Morton

Vice President and Senior Counsel, The Huntington National Bank, Legal Department, 10th Floor, Huntington Center, Columbus, OH 43287

Re: *Michigan Motor Vehicles Sales Finance Act*

Dear Messrs. Plant and Morton: This responds to your letters dated September 14, 2000 and September 21, 2000 (collectively, the Letters) on behalf of National City Bank, Cleveland, Ohio and The Huntington National Bank, Columbus, Ohio (collectively, the Banks). In the Letters, you request confirmation by the Office of the Comptroller of the Currency of your view that Federal law preempts a Michigan statute, as interpreted by the Michigan Financial Institutions Bureau (FIB), that limits the ability of national banks to make loans to finance motor vehicle sales. For the reasons discussed below, we conclude that Federal law would preempt the Michigan statute as interpreted by the FIB.

Background

The Banks are national banks headquartered in Ohio with offices in several other states. The Banks are engaged in the business of motor vehicle financing in Ohio and other states. The Banks typically engage in motor vehicle sales financing through automobile dealers. In these arrangements, the Banks enter into agreements with the dealers under which the dealers act as the Banks' agents for the purpose of soliciting loans to finance motor vehicles, taking applications for the vehicle loans, preparing the loan documentation, and obtaining the buyers' signatures on all required documents. The Banks prescribe the terms of the loan, including the minimum interest rate, and fund the loans and issue loan approvals in Ohio.

Because of questions regarding the interpretation of Michigan law, the Banks first sought a declaratory ruling from FIB on the applicability of the Michigan Motor Vehicle Sales Act (the MVSFA) to this proposed arrangement. In a ruling dated January 1, 2000 (the Ruling),¹ the FIB concluded that, the proposed arrangement between the banks and Michigan motor vehicle dealers would result in "installment sale contracts" subject to the MVSFA.²

¹ In the Matter Of: Request by Rodney D. Martin on Behalf of National City Bank for a Declaratory Ruling on the Applicability of the Motor Vehicle Sales Finance Act to Certain Transactions (January 1, 2000).

² Section 2 of the MVSFA defines an "installment sale contract" as one "for the retail sale of a motor vehicle, or which has a similar purpose or effect,

However, in order for a motor vehicle installment sale contract to comply with the MVSFA: (1) The dealer must originate the loan as a licensed installment seller of motor vehicles; and (2) the bank may only purchase the loan as a licensed sales finance company.³ The transaction must also comply with the several other requirements of the MVSFA that apply to installment sale contracts.⁴ This interpretation of the MVSFA effectively prohibits a national bank from originating motor vehicle loans using a dealer as the bank's agent. You asked our view on whether Federal law would preempt the MVSFA as interpreted by the FIB.

The OCC published a notice of your request in the **Federal Register**,⁵ and invited interested parties to comment. The OCC received thirteen comments in response to the notice. Several commenters opined that Federal law does preempt the state law in question. These commenters cited the authority of national banks under 12 U.S.C. 24(Seventh) to engage in lending activities and other activities necessary to carry on the business of banking. These commenters also noted that Federal law preempts state laws that purport to regulate an activity that is authorized by Federal law and that insured depository institutions are free to engage in the full range of permissible activities in accordance with the Gramm-Leach-Bliley-Act (GLBA).

The remaining commenters opined that Federal law should not be viewed as preempting the MVSFA as interpreted by the FIB. One of these commenters, the Michigan Commissioner of the Office of Financial and Insurance Services, submitted a lengthy comment restating the conclusions reached by the FIB in its Declaratory Ruling and raising several other arguments opposing Federal preemption of what the State regulator views as a State consumer protection act. The other commenters asserted, variously, that the Riegle-Neal Act requires a national bank to establish a branch in order to lend money in another state, that the OCC should not issue any opinion stating

under which part or all of the price is payable in 2 or more scheduled payments subsequent to the making of the contract * * *." Michigan Compiled Laws (MCL) 492.102(9); Michigan Sales Act (MSA) 23.628(2)(9).

³ MCL 492.103(a) and (b); MSA 23.628(3)(a) and (b).

⁴ These include, for example, provisions concerning the form and contents of an installment sales contract, disclosures that must be made to the buyer, the amount and computation of fees and finance charges, and prohibited charges. See MCL 492.112-492.134.

⁵ See 65 FR 63917 (October 25, 2000) (the Notice). As stated in the Notice, section 114 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the Riegle-Neal Act) (Pub. L. 103-328, sec. 114, 108 Stat. 2338, 2366-68 (1994)), codified at 12 U.S.C. 43) requires the OCC to publish notice in the **Federal Register** before issuing a final written opinion about the preemptive effect of Federal law in the areas of community reinvestment, consumer protection, fair lending, and the establishment of interstate branches. Without making a determination as to whether section 114 applies to this preemption opinion request, the OCC decided that it was appropriate to use notice and comment procedures given the significance of the legal issues presented.

or implying that non-bank entities may benefit from the preemptive effect of the National Bank Act when they act as agents for national banks, and that the OCC should defer to Michigan regulator's interpretation of the Michigan statute. One commenter adopted a more neutral stance and encouraged the OCC to be mindful of the vital interests of states in the area of consumer protection.

Analysis

Permissibility of the Activity

The threshold question in any preemption analysis is whether the activities in question are permissible for a national bank under Federal law. If they are not, then there is no preemption issue.

The Banks' proposed activity is fashioned from three component parts: The Banks propose to engage in the business of lending, they seek to use third-party agents in connection with that business, and they seek to apply the interest rates permissible in their home state to these motor vehicle loans. All three activities are permissible under Federal law.

First, section 24(Seventh) specifically authorizes national banks to make loans. Thus, a national bank need look no further than the express language of the statute for authorization to make loans. Section 24(Seventh) also authorizes national banks to engage in the more general "business of banking" and activities incidental thereto. The Supreme Court has made clear that the "business of banking" authorized by section 24(Seventh) is a broad, flexible concept that allows the National Bank Act to adapt to changing times. See *NationsBank of North Carolina, N.A. v. Variable Annuity Life Ins. Corp.*, 513 U.S. 251, 258, n.2 (1995) ("We expressly hold that the 'business of banking' is not limited to the enumerated powers in section 24 Seventh and that the Comptroller therefore has discretion to authorize activities beyond those specifically enumerated."). An activity will be deemed "incidental" to the business of banking if it is "convenient or useful in connection with the performance of" a power authorized under Federal law. *Arnold Tours, Inc. v. Camp*, 472 F.2d 427, 432 (1st Cir. 1972).

Second, the authority of national banks under section 24(Seventh) permits a national bank to use the services of agents and other third parties in connection with a bank's lending business. Federal banking regulations specifically provide that a national bank may "use the services of, and compensate persons not employed by, the bank for originating loans."⁶ 12 CFR 7.1004(a). Likewise, the regulations permit national banks to utilize the services of third parties to disburse loan proceeds. 12 CFR § 7.1003(b). These agents may undertake these activities at sites that are neither the main office nor a branch office of the bank provided the requirements of those

regulations are satisfied. 12 CFR §§ 7.1003(b), 7.1004(b).

Finally, under 12 U.S.C. 85, national banks may charge interest in accordance with the laws of the state where the bank's main office is located without regard to where the borrower resides and despite contacts between the loan and another state. The U.S. Supreme Court has specifically upheld this authority. *Marquette National Bank v. First of Omaha Service Corp.*, 439 U.S. 299 (1978).⁷ Based on this analysis, it is clear that each of the component activities that together comprise the Banks' proposed activities through Michigan automobile dealers is permissible under well-settled authority.⁸

Preemptive Effect of Federal Law

In our opinion, Federal law preempts the MVSFA as interpreted by the FIB in its Declaratory Ruling, because the statute, as interpreted, conflicts with Federal law authorizing the Bank to engage in the activities in question and with the OCC's exclusive visitorial powers over national banks. These points are addressed in more detail below, following a brief summary of the law governing preemption and the OCC's visitorial powers.

Preemption and Visitorial Powers

When the Federal government acts within the sphere of authority conferred upon it by the Constitution, Federal law is paramount over, and may preempt, state law. U.S. Const. art. VI, cl. 2 (the Supremacy Clause); *Cohen v. Virginia*, 19 U.S. (6 Wheat.) 264, 414 (1821) (Marshall, C.J.). Federal authority over national banks stems from several constitutional sources, including the Necessary and Proper Clause and the Commerce Clause of the United States Constitution. U.S. Const. art. I, section 8, cl.3, cl. 18; *McCulloch v. Maryland*, 17 U.S. (4 Wheat.) 316, 409 (1819).

The United States Supreme Court has identified several bases for Federal preemption of state law. First, Congress may expressly state that it intends to preempt state law. E.g., *Jones v. Rath Packing Co.*, 430 U.S. 519 (1977). Second, a Federal statute may create a scheme of Federal regulation "so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it." *Rice v. Norman Williams Co.*, 458 U.S. 654, 659 (1982).

⁷ See also OCC Interpr. Ltr. No. 822 (February 17, 1998), reprinted in (1997-1998 Transfer Binder) Fed. Banking L. Rep. (CCH) P 81-265 (identifying circumstances, not applicable here, under which national banks must use rates permitted by a state, other than its main office state, in which the bank has a branch).

⁸ As mentioned above, several commenters questioned the permissibility of the Banks activities under the Riegle-Neal Act. These commenters argued that, under the Riegle-Neal Act, the Banks would be required to establish branches in Michigan in order to lend money there and that Michigan state consumer protection laws would apply to the branches. Nothing in the Riegle-Neal Act, however, requires that a bank have a branch in a state as a prerequisite to lending in that state. (We note that both banks have branches in Michigan. Consequently, the provision of the Riegle-Neal Act relating to the applicability of state law to a branch of an out-of-state bank is discussed subsequently in this letter.)

Third, the state law may conflict with a Federal law. See, e.g., *Franklin National Bank*, 347 U.S. 373 (1954); *Davis v. Elmira Savings Bank*, 161 U.S. 275 (1896). In elaborating on this third test, the Supreme Court has stated—

Federal law may be in "irreconcilable conflict" with state law. *Rice v. Norman Williams Co.*, 458 U.S. 654, 659 (1982). Compliance with both statutes, for example, may be a "physical impossibility," *Florida Lime & Avocado Growers, Inc. v. Paul*, 373 U.S. 132, 142-143 (1963); or, the state law may "stan[d] as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941).

Barnett Bank v. Nelson, 517 U.S. 25, 31 (1996). The Court in *Barnett* went on to state that—

In defining the pre-emptive scope of statutes and regulations granting a power to national banks, these cases (i.e., national bank preemption cases) take the view that normally Congress would not want States to forbid, or to impair significantly, the exercise of a power that Congress explicitly granted. To say this is not to deprive States of the power to regulate national banks, where * * * doing so does not prevent or significantly interfere with the national bank's exercise of its powers.

517 U.S. at 33.

A conflict between a state law and Federal law need not be complete in order for Federal law to have preemptive effect. Where a Federal grant of authority is unrestricted, for example, state law that attempts to place limits on the scope and exercise of that authority will be preempted. See, e.g., *New York Bankers Association, Inc. v. Levin*, 999 F. Supp. 716 (W.D.N.Y. 1998). Thus, Federal law preempts not only state laws that purport to prohibit a national bank from engaging in an activity permissible under Federal law but also state laws that condition or confine the exercise by a national bank of its express or incidental powers.

As the Court stated in *Barnett*, * * * where Congress has not expressly conditioned the grant of "power" upon a grant of state permission, the Court has ordinarily found that no such condition applies. In *Franklin Nat. Bank*, the Court made this point explicit. It held that Congress did not intend to subject national banks' power to local restrictions, because the Federal power-granting statute there in question contained "no indication that Congress [so] intended * * * as it has done by express language in several other instances."

517 U.S. at 34 (citations omitted; emphasis in original).

Application of Federal Law to State Statutes

As noted above, it is well established that a national bank may engage in the business of lending, either directly or through an agent. See 12 U.S.C. 24(Seventh). In our view, the FIB's interpretation of Michigan law to include bank originated loans within the definition of "installment sales contracts" subject to the MVSFA conflicts with Federal law and significantly interferes with the Banks' ability to exercise their lending authority in three distinct ways.

⁶ This is not a situation where a loan product has been developed by a non-bank vendor that seeks to use a national bank as a delivery vehicle, and where the vendor, rather than the bank, has the preponderant economic interest in the loan.

First, the FIB's interpretation of Michigan law prohibits banks from using automobile dealers as agents to originate loans. Congress intended to permit national banks to have "all such incidental powers as shall be necessary to carry on the business of banking." 12 U.S.C. 24(Seventh). Federal regulations expressly interpret this grant to include the authority to use agents to originate loans. See 12 CFR § 7.1004. To the extent that a state asserts the right to restrict or condition a national bank's exercise of the Federally granted powers, that state's law will be preempted. Barnett, supra, at 34; Franklin, supra, at 378; *Bank of America National Trust & Savings Ass'n. v. Lima*, 103 F. Supp. 916, 918, 920 (D. Mass. 1952) (exercise of national bank powers is not subject to state approval; states have no authority to require national banks to obtain a license to engage in an activity permitted to them by Federal law).⁹

Second, by effectively prohibiting the Banks from originating loans at an automobile dealership in Michigan, the FIB's interpretation of the MVSFA prevents the Banks from exercising its power under 12 U.S.C. 85, as previously discussed, to charge the interest rates permitted by its home state, Ohio. To the extent the FIB interprets the MVSFA to subject the Banks to interest rate limitations of other states, it is preempted by Federal law.

Finally, it is our opinion that the FIB's interpretation of the MVSFA that would require a national bank to obtain a state license and treat the transaction as a loan purchase from a dealership also is preempted by the Federal law giving the OCC exclusive visitorial authority over national banks. A state requirement that a national bank obtain state approval or license to exercise a power authorized under Federal law is an assertion by the state that it has supervisory or regulatory authority over national banks. This is in direct conflict with the Federal law providing that the OCC has exclusive visitorial powers over national banks except as otherwise provided by Federal law. 12 U.S.C. 484; 12 CFR 7.4000. A state law that purports to vest this authority in a state is preempted. In this case, it is our opinion that the FIB's application of the state licensing requirement to national banks would be preempted on this basis as well.

The characterization by several of the commenters of the MVSFA as a consumer protection statute does not alter this conclusion. With respect to banks with interstate branches, the Riegle-Neal Act provides:

[t]he laws of the host State regarding community reinvestment, consumer protection, fair lending, and establishment of intrastate branches shall apply to any branch in the host State of an out-of-state national bank to the same extent as such state laws apply to a branch of a bank chartered by that State except—

(i) When Federal law preempts that application of such state laws to a national bank * * *

12 U.S.C. 36(f)(1)(A) (emphasis added).

Thus, the Riegle-Neal Act does not protect state consumer laws to the extent that they are preempted by Federal law and, as discussed, it is our opinion that the MVFSA is preempted by Federal law.¹⁰

Conclusion

To the extent the FIB interprets the MVSFA to limit the Banks' proposed motor vehicle financing arrangement, it is our opinion that it is preempted by Federal law. We trust that this is responsive to your inquiry. Our conclusions are based on the facts and representations made in your letters. Any material change in facts or circumstances could affect the conclusions stated in this letter.

Sincerely,
Julie L. Williams,
First Senior Deputy Comptroller and Chief Counsel.

[FR Doc. 01-12946 Filed 5-22-01; 8:45 am]

BILLING CODE 4810-33-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for Form 1116

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Form 1116, Foreign Tax Credit.

¹⁰In addition, we note under the circumstances that section 85 permits the bank to charge interest in accordance with Ohio law and preempts any state law requirement that Michigan usury law applies to the loans at issue. See OCC Interpr. Ltr. 822, supra n. 6. Because the activities in question do not involve insurance, the unique preemption standard established under the McCarran-Ferguson Act is not at issue 12 U.S.C. 1012. Nor are the recently enacted provisions of the GLBA. 15 U.S.C. 6701.

DATES: Written comments should be received on or before July 23, 2001 to be assured of consideration.

ADDRESSES: Direct all written comments to Garrick R. Shear, Internal Revenue Service, room 5244, 1111 Constitution Avenue NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form and instructions should be directed to Allan Hopkins, (202) 622-6665, Internal Revenue Service, room 5244, 1111 Constitution Avenue NW., Washington, DC 20224.

SUPPLEMENTARY INFORMATION:

Title: Foreign Tax Credit.

OMB Number: 1545-0121.

Form Number: 1116.

Abstract: Form 1116 is used by individuals (including nonresident aliens), estates, or trusts who paid foreign income taxes on U.S. taxable income, to compute the foreign tax credit. This information is used by the IRS to determine if the foreign tax credit is properly computed.

Current Actions: There are no changes being made to Form 1116 at this time.

Type of Review: Extension of a currently approved collection.

Affected Public: Individuals or households.

Estimated Number of Respondents: 779,773.

Estimated Time Per Respondent: 3 hours, 38 minutes.

Estimated Total Annual Burden Hours: 2,837,771.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Request for Comments

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of

⁹ See also OCC Interpr. Ltr. No. 866 (Oct. 8, 1999), reprinted in [1999-2000 Transfer Binder] Fed. Banking L. Rep. (CCH) P 81-360 (state law requirements that purport to preclude national banks from soliciting trust business from customers located in states other than where the bank's main office is located would be preempted); OCC Interpr. Ltr. No. 749 (Sept. 13, 1996), reprinted in [1996-1997 Transfer Binder] Fed. Banking L. Rep. (CCH) P 81-114 (state law requiring national banks to be licensed by the state to sell annuities would be preempted); OCC Interpr. Ltr. 644 (March 24, 1994), reprinted in [1994 Transfer Binder] Fed. Banking L. Rep. (CCH) P 83,553 (state registration and fee requirements imposed on mortgage lenders would be preempted).