

Disaster Relief With Respect to Air Transportation Excise Taxes

Notice 2001-77

This notice provides additional tax relief under section 301(a) of the Air Transportation Safety and System Stabilization Act (the Act), Pub. L. No. 107-42, 115 Stat. 236, and informs taxpayers of a change that will be made to the regulations under § 6071 of the Internal Revenue Code.

Section 301(a) of the Act provides relief to eligible air carriers with respect to the deposit of taxes imposed by subchapter C of chapter 33 of the Code (the air transportation excise taxes). Under section 301(a) of the Act, any deposit of those taxes required to be made by an eligible air carrier after September 10, 2001, and before November 15, 2001, shall be treated for purposes of the Code as timely made if the deposit is made on or before November 15, 2001. Section 301(a) of the Act also provides that the Secretary of the Treasury may extend the November 15, 2001, date to January 15, 2002.

Section 6071 of the Code provides that the Secretary may prescribe the time for filing any return by regulations when that time is not prescribed in the Code. Section 40.6071(a)-2 of the Excise Tax Procedural Regulations, as in effect for calendar quarters beginning before October 1, 2001, provides that returns of the air transportation excise taxes for the third calendar quarter of 2001 are due by November 30, 2001. Under § 6151 of the Code, the tax shown or required to be shown on the return must be paid by the due date of the return.

Under the authority granted to the Secretary of the Treasury in section 301(a) of the Act, any deposit of air transportation excise taxes required to be made by an eligible air carrier after September 10, 2001, and before January 15, 2002, shall be treated for purposes of the Code as timely made if the deposit is made on or before January 15, 2002.

In addition, under the authority granted the Secretary in § 6071 of the Code, the Service and Treasury Depart-

ment will issue regulations changing the due date of certain returns filed by eligible air carriers. Under these regulations, an eligible air carrier's Form 720, *Quarterly Federal Excise Tax Return*, for the third calendar quarter of 2001 will be due by January 15, 2002. Consequently, the time for paying the air transportation excise taxes shown or required to be shown on the return also will be deferred. Under § 6151 of the Code, an eligible air carrier will be required to pay such taxes for the third calendar quarter of 2001 by January 15, 2002.

Eligible air carriers that believe that they are entitled to relief under this notice should mark "Notice 2001-77" in red ink at the top of their return and other documents submitted to the IRS.

The principal author of this notice is Susan Athy of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, please contact Ms. Athy at (202) 622-3130 (not a toll-free call).