

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF HOMELAND SECURITY

### Bureau of Customs and Border Protection

## DEPARTMENT OF THE TREASURY

### 19 CFR Parts 113 and 191

[USCBP-2009-0021]

RIN 1505-AC18

### Drawback of Internal Revenue Excise Tax

**AGENCY:** Customs and Border Protection, Department of Homeland Security; Department of the Treasury.

**ACTION:** Withdrawal of notice of proposed rulemaking.

**SUMMARY:** This document withdraws a notice of proposed rulemaking, published in the **Federal Register** on October 15, 2009, that proposed amendments to title 19 of the Code of Federal Regulations to: preclude the filing of a substitution drawback claim for internal revenue excise tax paid on imported merchandise in situations where no excise tax was paid upon the substituted merchandise or where the substituted merchandise is the subject of a different claim for refund or drawback of tax under any provision of the Internal Revenue Code; and add a basic importation and entry bond condition to foster compliance with the amended drawback provision. The notice is being withdrawn to permit further consideration of the relevant issues involved in the proposed rulemaking.

**DATES:** *Effective Date:* The effective date of this withdrawal is March 2, 2010.

**FOR FURTHER INFORMATION CONTACT:** William Rosoff, Regulations and Rulings, Office of International Trade, (202) 325-0047.

#### SUPPLEMENTARY INFORMATION:

#### Background

On October 15, 2009, Customs and Border Protection (CBP) published a

notice of proposed rulemaking in the **Federal Register** (74 FR 52928) proposing changes to parts 113 and 191 within title 19 of the Code of Federal Regulations. The proposed amendments would: (1) Preclude the filing of a substitution drawback claim for internal revenue excise tax paid on imported merchandise in situations where no excise tax was paid upon the substituted merchandise or where the substituted merchandise is the subject of a different claim for refund or drawback of tax under any provision of the Internal Revenue Code; and (2) add a basic importation and entry bond condition to the CBP regulations to foster compliance with the amended drawback provision. The comment period was extended twice to allow additional time for interested parties to submit comments on the proposed rulemaking. The comment period ended on January 12, 2010.

#### Withdrawal of Notice of Proposed Rulemaking

CBP is withdrawing the notice of proposed rulemaking published in the **Federal Register** (74 FR 52928) on October 15, 2009, so that relevant issues involved in the proposed rulemaking may be further considered.

**David V. Aguilar,**

*Acting Deputy Commissioner, U.S. Customs and Border Protection.*

Approved: February 25, 2010.

**Michael Mundaca,**

*Acting Assistant Secretary of the Treasury.*

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## DEPARTMENT OF THE TREASURY

### Alcohol and Tobacco Tax and Trade Bureau

### 27 CFR Parts 28 and 44

[Docket No. TTB-2009-0005; Notice No. 102; Re: Notice Nos. 100 & 101]

RIN 1513-AB77

### Drawback of Internal Revenue Excise Taxes

**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.

**ACTION:** Withdrawal of notice of proposed rulemaking.

**SUMMARY:** This document withdraws a notice of proposed rulemaking, published in the **Federal Register** on October 15, 2009, that proposed conforming amendments to reflect proposed Customs and Border Protection regulations stating that domestic merchandise on which no tax is paid under the Internal Revenue Code may not be substituted for imported merchandise for purposes of claims for drawback of tax under the customs laws and regulations. The notice is being withdrawn to permit further consideration of the relevant issues involved in the proposed rulemaking.

**DATES:** The proposed rulemaking is withdrawn on March 2, 2010.

#### FOR FURTHER INFORMATION CONTACT:

Gerry Isenberg, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Suite 200-E, Washington, DC 20220; telephone (202) 453-2097.

#### SUPPLEMENTARY INFORMATION:

#### Background

On October 15, 2009, the Alcohol and Tobacco Tax and Trade Bureau (TTB) published in the **Federal Register** a notice of proposed rulemaking to amend its regulations to clarify the relationship between tax payment under the Internal Revenue Code of 1986 and drawback of tax under the Tariff Act of 1930. See Notice No. 100 at 74 FR 52937. Specifically, TTB's proposed rulemaking would have provided conforming regulations to reflect proposed Customs and Border Protection (CBP) regulations stating that domestic merchandise on which no tax is paid under the Internal Revenue Code may not be substituted for imported merchandise for purposes of claims for drawback of tax under the customs laws and regulations. TTB later extended the comment period closing date for its proposal until January 14, 2010. See Notice No. 101, November 27, 2009, at 74 FR 62266.

The CBP notice of proposed rulemaking regarding drawback of internal revenue excise tax, on which TTB's proposed rulemaking was based, also was published in the **Federal Register** on October 15, 2009, at 74 FR 52928. CBP twice extended the comment period on its proposal to allow additional time for interested parties to comment on the proposed rulemaking. See the CBP notices of November 4,