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**Proposed § 1.6041-7 Magnetic media requirement.** [For  
Preamble, see ¶ 151,111]

(a) **General.** \* \* \* For rules relating to permission to submit the information required by Form 1099 or Form W-2 on magnetic media for payments after December 31, 1983, see section 6011(e) and §301.6011-2 of this chapter (Regulations on Procedure and Administration).

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**Proposed § 1.6041A-1 Returns regarding payments of remuneration for services and certain direct sales.** [For Preamble, see ¶ 151,045]

(a) **Returns regarding remuneration for services—**

(1) *In general.* If—

(i) Any service-recipient engaged in a trade or business pays in the course of that trade or business during any calendar year after 1982 remuneration to any person for services performed by that person, and

(ii) The aggregate amount of remuneration paid to such person during such calendar year is \$600 or more,

Then the service-recipient shall make a return in accordance with paragraph (e) of this section. For purposes of the preceding sentence, the term "service-recipient" means the person for whom the service is performed (e.g., in the case of a real estate agent, the real estate firm for which such agent performs services). For purposes of this paragraph (a)(1) only, the term remuneration does not include amounts paid to any person for services performed by such person if the service-recipient knows that such amounts are excludable from the gross income of the person performing such services. For example, a return is not required with respect to amounts paid to a foster parent which are known by the service-recipient to constitute foster care payments that are excludable from gross income under section 131. For purposes of this paragraph (a)(1), a service-recipient shall be considered to know facts set forth in a written statement provided to the service-recipient, made under the penalties of perjury and signed by the person performing such services, in the absence of knowledge by the service-recipient that such statement is untrue. See section 6041A(d) for rules relating