

Federal loan guarantees will have virtually no impact on the overall availability of loans for the SBA's loan programs, which have averaged about 50,000 loans totaling more than \$12 billion per year in recent years.

*(6) What alternatives were considered by the SBA to accomplish its regulatory objectives while minimizing the impact on small entities?*

In the proposed rule of April 9, 2002, the SBA considered alternative size standards which included a more limited increase to \$7.5 million, and a larger increase to \$12.5 million. The SBA decided not to propose the more moderate increase to \$7.5 million because it believed that the very low share of Federal procurements to small testing laboratories indicated the need for a higher size standard to include those testing laboratories that can meet

and perform on the majority of Federal analytical testing contracts. The SBA also considered, but rejected, the larger increase to \$12.5 million based on the fact that two of the five factors considered in determining the appropriate size standard pointed to a size standard at, or only slightly above, the \$6 million nonmanufacturing anchor size standard. The SBA believes that the evaluation factors should be virtually unanimous for an increase of this magnitude.

#### List of Subjects in 13 CFR Part 121

Administrative practice and procedures, Government procurement, Government property, Grant programs—business, Loan programs—business, Small businesses.

For reasons set forth in the preamble, the SBA amends part 121 of title 13 of

the Code of Federal Regulations as follows:

#### PART 121—SMALL BUSINESS SIZE REGULATIONS

■ 1. The authority citation of part 121 continues to read as follows:

**Authority:** 15 U.S.C. 632(a), 634(b)(6), 636(b), 637(a), 644(c) and 662(5) and Sec. 304, Pub. L. 103–403, 108 Stat. 4175, 4188, Pub. L. 106–24, 113 Stat. 39.

■ 2. In § 121.201, in the table “Small Business Size Standards by NAICS Industry”, under the heading NAICS “Subsector 541—Professional, Scientific and Technical Services,” revise entry 541380 to read as follows:

#### § 121.201 What size standards has SBA identified by North American Industry Classification System codes?

\* \* \* \* \*

#### SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
* * * * *			
<b>Subsector 541—Professional, Scientific and Technical Services</b>			
* * * * *			
541380	..... Testing Laboratories .....	\$10.0	
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Dated: September 27, 2003.

**Hector V. Barreto,**  
Administrator.

**Editorial Note:** This document was received in the Office of the Federal Register on December 19, 2003.

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#### DEPARTMENT OF THE TREASURY

##### Internal Revenue Service

#### 26 CFR Part 1

[TD 9103]

RIN 1545–BC97

#### Information Statements for Certain Substitute Payments

**AGENCY:** Internal Revenue Service (IRS) Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations under section 6045(d) that reflect the changes to information reporting for payments in lieu of dividends effected by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA). These regulations provide that brokers must file information returns and furnish information statements reporting substitute payments in lieu of dividends to individuals who receive substitute payments in lieu of dividends on or after January 1, 2003.

**DATES:** *Effective Date:* These final regulations are effective December 29, 2003.

*Applicability Date:* These regulations apply to information returns required to be filed, and information statements required to be furnished, after December 31, 2003.

**FOR FURTHER INFORMATION CONTACT:** Michael Hara of the Office of Associate Chief Counsel (Procedure and

Administration), (202) 622–4910 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the JGTRRA), Public Law No. 108–27 (117 Stat. 752), reduced the tax rate for “qualified dividends” paid to an individual shareholder to the same tax rate as capital gains for taxable years beginning after December 31, 2002, and beginning before January 1, 2009. The legislative history states, however, “Payments in lieu of dividends are not eligible for the lower rates.” See H.R. Rep. No. 108–94, 108th Cong., 1st Sess. 31 n.36 (2003).

##### Explanation of Provisions

Section 6045(a) of the Internal Revenue Code (Code) provides that every person doing business as a broker shall, when required by the Secretary, make a return showing the name and