

Frederic W. Cook & Co., Inc.

New York • Chicago • Los Angeles

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**IRS Extends Comment Period for
Proposed Regulations on the Taxation of Employee
Stock Purchase Plans and Incentive Stock Options**

Since the release of our latest alert letter¹ regarding the recent proposal to impose FICA and FUTA taxes on employee stock purchase plans and incentive stock options, the IRS has opted to extend the comment period for the proposed regulations (REG-142686-01²), and accompanying two notices (Notice 2001-72² and Notice 2001-73²). Originally, comments and requests to speak at a March 7 hearing were to be received by February 14, 2002. The hearing has since been rescheduled for May 14, with comments and requests to speak to be received by April 23, 2002.

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Specific questions concerning this topic should be addressed to corporate counsel. General questions may be addressed to Michael Chavira (mpchavira@fwcook.com) or Beverly Aisenbrey (bwaisnbrey@fwcook.com) or in our New York office at (212) 986-6330. Copies of this letter and other published material are available on our website at www.fwcook.com.

¹ http://www.fwcook.com/alert_letters/100101_BillIntroducedIntoCongressExempting.pdf

² REG-142686-01, Notice 2001-72 and Notice 2001-73 appear in Internal Revenue Bulletin 2001-49. (<http://www.irs.gov/pub/irs-irbs/irb01-49.pdf>)