staggered effective date for the remaining HCT/Ps would be contrary to the public interest in that certain products would become unregulated unless and until the GTP and donor suitability rules are finalized. For HCT/Ps subject to the staggered effective date, requiring registration without adequate enforcement provisions, such as those proposed in the GTP rule, would be premature and possibly ineffective. Establishments that manufacture HCT/Ps covered by the staggered effective date have been registering voluntarily, and FDA is willing to continue accepting such voluntary registrations.

FDA, for good cause based on the reasons stated previously, finds that notice and public procedure to delay the effective date are unnecessary and contrary to the public interest (5 U.S.C. 553(b)(3)(B)). Therefore, we are delaying the effective date of §§ 207.20(f), 807.20(d), and 1271.3(d)(2) for 1 year. The new effective date is January 21, 2004.

Dated: January 8, 2003.

Margaret M. Dotzel,

Assistant Commissioner for Policy.

[FR Doc. 03–1207 Filed 1–17–03; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[TD 9037]

RIN 1545–AY52

Disclosure of Return Information to the Bureau of the Census

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains regulations relating to the list of items of tax information disclosed to the Bureau of the Census. These regulations reflect an agreement between the IRS and the Bureau of the Census as to items of tax information needed to more effectively meet the Bureau of the Census' program objectives as authorized under chapter 5 of title 13, United States Code (U.S.C.), including the Longitudinal Employer-Household Dynamics (LEHD) project and the Survey of Income and Program Participation (SIPP) project.

DATES: *Effective Date:* These regulations are effective January 21, 2003.

FOR FURTHER INFORMATION CONTACT: Christine Irwin, (202) 622–4570 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to 26 CFR part 301 under section 6103(j) of the Internal Revenue Code (Code). On February 13, 2001, the **Federal Register** published temporary regulations (TD 8943) regarding tax information disclosed to the Bureau of the Census for use in the LEHD and SIPP projects (66 FR 9957), and a notice of proposed rulemaking (REG–121109–00) cross-referencing the temporary regulations (66 FR 9991). A correction to the notice of proposed rulemaking by cross-reference to the temporary regulations was published on March 23, 2001 (66 FR 16161). Three comments on these temporary regulations were received and considered, but no public hearing was requested or held. After consideration of the comments, the Treasury decision adopts the regulations as proposed with certain changes and removes the corresponding temporary regulations.

The changes include corrections to punctuation and clarification of certain terms used in the regulations, *e.g.*, references to Form SS–4 as a ''form'' as opposed to a tax ''return.'' Additional changes include adopting the generic term ''location code'' to refer to locations of IRS offices from which tax information is retrieved. Changes also include using the terms ''area/district office'' and ''campus/service'' center as examples of location codes. The tax information disclosed to the Bureau of the Census is retrieved from older files, as well as current files. The older information is retrieved from files which contain the terms ''district offices'' and ''service centers'' as the location codes, while the more recent information is retrieved from files that use the terms ''area offices'' and ''campuses'' (in addition to other location codes). Although the terms ''district offices'' and ''service centers'' are no longer used by the IRS, having been replaced by the terms ''area offices'' and ''campuses'' respectively, as a result of the IRS reorganization mandated by section 1001 of the IRS Restructuring and Reform Act of 1998, the regulations' reference to ''location code'' will encompass all of these terms to ensure that tax information may be retrieved from both older and more current files.

Also, the final regulations narrow the tax information to be disclosed to the Bureau of the Census under § 301.6103(j)(1)–1(b)(3)(xxviii) pertaining to ''Gross Distributions from Form 1099–R.'' Although the temporary regulations authorized the disclosure of all gross distributions from Form 1099–R under § 301.6103(j)(1)–1T(b)(3)(xxviii), the Bureau of the Census needs only tax information related to distributions from employer-sponsored and individual retirement plans, according to a letter sent to the IRS from the Secretary of Commerce dated October 4, 2002. Therefore, the final regulations authorize the disclosure only of distributions from employer-sponsored and individual retirement plans from the Forms 1099–R under § 301.6103(j)(1)–1(b)(3)(xxviii).

The final regulations also clarify the phrase ''return information reflected on returns''—language that was incorporated into § 301.6103(j)(1)–1 when the regulations were first promulgated in 1980 (*see* 45 FR 65561). The phrase ''return information reflected on returns'' is used in the regulations to describe the type of return information that may be disclosed to agencies under sections 6103(j)(1)(A) and (B) of the Code. (The phrase ''return information reflected on returns'' encompasses the phrases used in the statute under section 6103(j)(1)(A) and (B) of the Code that refer to ''return information reflected thereon'' and ''return information reflected on returns of corporations.'') The legislative history of section 6103(j)(1)(A) of the Code, authorizing the disclosure of ''returns'' and ''return information reflected thereon'' to officers and employees of the Bureau of the Census, does not specifically define the phrase ''return information reflected thereon.'' Nor does the legislative history of section 6103(j)(1)(B) of the Code, authorizing the disclosure of ''return information reflected on returns of corporations'' to officers and employees of the Bureau of Economic Analysis, define the phrase ''return information reflected on returns of corporations.'' These final regulations clarify the concept of ''return information reflected on returns.'' Although the legislative history does not explicitly define the concept of ''return information reflected on returns,'' it does use the term ''information from tax returns'' and expresses Congress' intent that only ''limited information'' for statistical purposes should be provided to the Bureau of the Census and the Bureau of Economic Analysis. The legislative history does describe the type of information that the IRS provided to agencies when section 6103(j)(1) and (2) of the Code was enacted in the Tax Reform Act of 1976. This information included IRS transcript cards that

summarized information from 500 to 1,000 returns of the largest corporations, taxpayer names, addresses, employer identification numbers, gross receipts, accounting periods, industry codes, and sample codes. (*See* Staff of Joint Committee on Internal Revenue Taxation, 94th Cong., 2d Sess., Tax Revision Issues—1976 (H.R. 10612), No. 6: Administrative Matters, at 40–41 (Comm. Print, April 14, 1976) (Joint Committee Report)). According to the legislative history, the ''sample code'' provided the ''sampling process used by the IRS with respect to its Statistics of Income (not with respect to audit, etc.). * * * '' *See* Joint Committee Report at 41. These sample codes were not information submitted by taxpayers on tax returns filed with the IRS. Rather, these codes were information generated by the IRS in conjunction with returns and disclosed by the IRS to at least one agency for statistical purposes. Therefore, when Congress enacted section 6103(j)(1)(A) and (B) of the Code in 1976, adopting the language ''return information reflected thereon'' and ''such return information reflected on returns of corporations'' to describe the type of information that could be disclosed to agencies for statistical purposes, the information described includes not only information on returns, but also information derived from the processing of such returns, and/or information related to the establishment and maintenance of taxpayer information in IRS data bases, such as sample codes. Therefore, these final regulations clarify the phrase ''return information reflected on returns'' by stating that it includes, but is not limited to, information on returns, information derived from processing such returns, and information derived from the Social Security Administration (SSA) and other sources for the purposes of establishing and maintaining taxpayer information relating to returns. This includes information derived from returns and Forms SS–4 ''Application for Employer Identification Number,'' monthly corrections of, and additions to, taxpayer information contained in IRS and SSA databases (*e.g.*, taxpayer address and name changes) that are obtained from SSA and other sources, and computer codes compiled by the IRS and the SSA derived from returns and/or tax forms and integrated within taxpayer data bases.

Further, these final regulations clarify a restriction that was imposed by the temporary regulations with respect to the disclosure of tax information to the Bureau of the Census. Specifically, the explanation of provisions section to the temporary regulations stated that information will be furnished under the temporary regulations only for the purposes of conducting the LEHD project and/or SIPP/SSA project as specified in the request letters and with the understanding that the information will be used strictly in accordance with the provisions of the Code pertaining to confidentiality (*see* 66 FR 9958 under ''Explanation of Provisions'' of the preamble). These tax disclosure restrictions to the LEHD and SIPP projects were included during the inception of an agreement entered into between the IRS and the Bureau of the Census that provides detailed criteria for the review and approval by the IRS of Census Bureau projects that use Federal tax information. This inter-agency agreement between the IRS and the Bureau of the Census dated September 15, 2000, is entitled ''Criteria for the Review and Approval of Census Projects that Use Federal Tax Information'' (inter-agency agreement) and provides detailed procedures for implementing the requirements set forth in § 301.6103(j)(1)–1(d) of the regulations. According to § 301.6103(j)(1)–1(d) of the regulations and the inter-agency agreement, the IRS must approve the proposed uses for tax information disclosed on a project-by-project basis. The implementation of this inter-agency agreement has strengthened the IRS' review process for approving proposed uses for tax information disclosed to the Bureau of the Census. It has also improved the ability of the IRS and the Bureau of the Census to ensure that appropriate procedures, especially relating to safeguards and approved usage documentation, are employed for access to, and use of, Federal tax information.

Although the explanation of provisions section to the temporary regulations stated that the additional tax information authorized for disclosure under the temporary regulations under § 301.6103(j)(1)–1T(b)(2), (3), and (5) would be disclosed only for purposes of conducting the LEHD and/or SIPP projects, the actual language of the temporary regulations under § 301.6103(j)(1)–1T(b)(2), (3), and (5) did not contain such a limitation. Rather, the temporary regulations adopted the same language describing the authorized use of the tax information by the Bureau of the Census that appeared in § 301.6103(j)(1)–1(b)(2), (3), and (5) of the previous regulations (prior to the implementation of the temporary regulations). This language authorizes a broader use of the disclosed tax information by the Bureau of the Census for demographic and economic statistics programs, censuses, and surveys authorized by chapter 5 of title 13, U.S.C. These final regulations do not change this language pertaining to the authorized uses of the tax information by the Bureau of the Census in § 301.6103(j)(1)–1 (b)(2), (3), and (5). Accordingly, these final regulations permit the disclosure of tax information to the Bureau of the Census, not only for the LEHD and SIPP projects, but also to the extent necessary in conducting and preparing demographic and economic statistics programs, censuses, and surveys, as authorized by chapter 5 of title 13, U.S.C., and as approved for these purposes by the IRS according to procedures reflected in the September 15, 2000 inter-agency agreement described above and § 301.6103(j)(1)–1(d) of the regulations.

Summary of Comments

With respect to the three comments received in response to the temporary regulations, two strongly supported, and one objected to, the additional disclosure of tax information to the Bureau of the Census. Specifically, two of the comments supported the additions to the list of items of tax information disclosed to the Bureau of the Census for use in the SIPP project. One comment stated that these additional disclosures to the Census Bureau will make it possible to provide an accurate measure of prospective pension benefits that is critically important in providing estimates of the future economic well-being of an increasingly large segment of the population and will provide legislators, policy analysts, and researchers with a much more useful measure of the net government transfers to different households than that provided by the current SIPP. These additional disclosures will also provide a crucial source of information for assessing potential reforms of the Social Security System, according to the comment.

The third comment expressed opposition to the compiling of data by the Bureau of Census beyond that necessary to determine population distribution for the purpose of legislative redistricting. This objection does not recognize that the Bureau of the Census is authorized under chapter 5 of title 13, U.S.C., to conduct various demographic, economic, and agricultural statistics programs and censuses and related program evaluation that includes the LEHD and SIPP projects. Therefore, the comment was not adopted.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking preceding these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Christine Irwin, Office of the Associate Chief Counsel, Procedure & Administration (Disclosure & Privacy Law Division).

List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and record keeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 301 is amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 is amended by removing the entry for ''Section 301.6103(j)(1)–lT'' and continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 301.6103(j)(1)–1 is revised to read as follows:

§ 301.6103(j)(1)–1 Disclosures of return information reflected on returns to officers and employees of the Department of Commerce for certain statistical purposes and related activities.

(a) *General rule.* Pursuant to the provisions of section 6103(j)(1) of the Internal Revenue Code and subject to the requirements of paragraph (d) of this section, officers or employees of the Internal Revenue Service will disclose return information (as defined by section 6103(b)(2) but not including return information described in section 6103(o)(2)) reflected on returns to officers and employees of the Department of Commerce to the extent, and for such purposes as may be, provided by paragraphs (b) and (c) of this section. Further, in the case of any disclosure of return information reflected on returns so provided by paragraphs (b) and (c) of this section, the tax period or accounting period to which such information relates will also be disclosed. ''Return information reflected on returns'' includes, but is not limited to, information on returns, information derived from processing such returns, and information derived from the Social Security Administration and other sources for the purposes of establishing and maintaining taxpayer information relating to returns.

(b) *Disclosure of return information reflected on returns to officers and employees of the Bureau of the Census.*

(1) Officers or employees of the Internal Revenue Service will disclose the following return information reflected on returns of individual taxpayers to officers and employees of the Bureau of the Census for purposes of, but only to the extent necessary in, conducting and preparing, as authorized by chapter 5 of title 13, United States Code, intercensal estimates of population and income for all geographic areas included in the population estimates program and demographic statistics programs, censuses, and related program evaluation:

(i) Taxpayer identity information (as defined in section 6103(b)(6) of the Internal Revenue Code), validity code with respect to the taxpayer identifying number (as described in section 6109), and taxpayer identity information of spouse and dependents, if reported.

(ii) Location codes (including area/district office and campus/service center codes).

(iii) Marital status.

(iv) Number and classification of reported exemptions.

(v) Wage and salary income.

(vi) Dividend income.

(vii) Interest income.

(viii) Gross rent and royalty income.

(ix) Total of—

(A) Wages, salaries, tips, etc.;

(B) Interest income;

(C) Dividend income;

(D) Alimony received;

(E) Business income;

(F) Pensions and annuities;

(G) Income from rents, royalties, partnerships, estates, trusts, etc.;

(H) Farm income;

(I) Unemployment compensation; and

(J) Total Social Security benefits.

(x) Adjusted gross income.

(xi) Type of tax return filed.

(xii) Entity code.

(xiii) Code indicators for Form 1040, Form 1040 (Schedules A, C, D, E, F, and SE), and Form 8814.

(xiv) Posting cycle date relative to filing.

(xv) Social Security benefits.

(2) Officers or employees of the Internal Revenue Service will disclose to officers and employees of the Bureau of the Census for purposes of, but only to the extent necessary in, conducting, as authorized by chapter 5 of title 13, United States Code, demographic, economic, and agricultural statistics programs and censuses and related program evaluation—

(i) From the business master files of the Internal Revenue Service—the taxpayer name directory and entity records consisting of taxpayer identity information (as defined in section 6103(b)(6)) with respect to taxpayers engaged in a trade or business, the principal industrial activity code, the filing requirement code, the employment code, the physical location, the location codes (including area/district office and campus/service center codes), and monthly corrections of, and additions to, such entity records;

(ii) From Form SS–4—all information reflected on such form;

(iii) From an employment tax return—

(A) Taxpayer identifying number (as described in section 6109) of the employer;

(B) Total compensation reported;

(C) Master file tax account code (MFT);

(D) Taxable period covered by such return;

(E) Employer code;

(F) Document locator number;

(G) Record code;

(H) Total number of individuals employed in the taxable period covered by the return;

(I) Total taxable wages paid for purposes of chapter 21; and

(J) Total taxable tip income reported for purposes of chapter 21;

(iv) From Form 1040 (Schedule SE)—

(A) Taxpayer identifying number of self-employed individual;

(B) Business activities subject to the tax imposed by chapter 21;

(C) Net earnings from farming;

(D) Net earnings from nonfarming activities;

(E) Total net earnings from self-employment; and

(F) Taxable self-employment income for purposes of chapter 2;

(v) Total Social Security taxable earnings; and

(vi) Quarters of Social Security coverage.

(3) Officers or employees of the Internal Revenue Service will disclose the following business related return information reflected on returns of taxpayers to officers and employees of

the Bureau of the Census for purposes of, but only to the extent necessary in, conducting and preparing, as authorized by chapter 5 of title 13, United States Code, demographic and economic statistics programs, censuses, and surveys. (The ''returns of taxpayers'' include, but are not limited to: Form 941; Form 990 series; Form 1040 series and Schedules C and SE; Form 1065 and all attending schedules and Form 8825; Form 1120 series and all attending schedules and Form 8825; Form 851; Form 1096; and other business returns, schedules and forms that the Internal Revenue Service may issue.):

(i) Taxpayer identity information (as defined in section 6103(b)(6)) including parent corporation, shareholder, partner, and employer identity information.

(ii) Gross income, profits, or receipts.

(iii) Returns and allowances.

(iv) Cost of labor, salaries, and wages.

(v) Total expenses or deductions.

(vi) Total assets.

(vii) Beginning- and end-of-year inventory.

(viii) Royalty income.

(ix) Interest income, including portfolio interest.

(x) Rental income, including gross rents.

(xi) Tax-exempt interest income.

(xii) Net gain from sales of business property.

(xiii) Other income.

(xiv) Total income.

(xv) Percentage of stock owned by each shareholder.

(xvi) Percentage of capital ownership of each partner.

(xvii) End-of-year code.

(xviii) Months actively operated.

(xix) Principal industrial activity code, including the business description.

(xx) Total number of documents and the total amount reported on the Form 1096 transmitting Forms 1099–MISC.

(xxi) Form 941 indicator and business address on Form 1040 (Schedule C).

(xxii) Consolidated return indicator.

(xxiii) Wages, tips, and other compensation.

(xxiv) Social Security wages.

(xxv) Deferred wages.

(xxvi) Social Security tip income.

(xxvii) Total Social Security taxable earnings.

(xxviii) Gross distributions from employer-sponsored and individual retirement plans from Form 1099–R.

(4) Officers or employees of the Internal Revenue Service will disclose return information reflected on returns of taxpayers contained in the exempt organization master files of the Internal Revenue Service to officers and employees of the Bureau of the Census for purposes of, but only to the extent necessary in, conducting and preparing, as authorized by chapter 5 of title 13, United States Code, economic censuses. This return information reflected on returns of taxpayers consists of taxpayer identity information (as defined in section 6103(b)(6)), activity codes, and filing requirement code, and monthly corrections of, and additions to, such information.

(5) Subject to the requirements of paragraph (d) of this section and § 301.6103(p)(2)(B)–1, officers or employees of the Social Security Administration to whom the following return information reflected on returns has been disclosed as provided by section 6103(l)(1)(A) or (l)(5) may disclose such information to officers and employees of the Bureau of the Census for necessary purposes described in paragraph (b)(2) or (3) of this section:

(i) From Form SS–4—all information reflected on such form.

(ii) From Form 1040 (Schedule SE)—

(A) Taxpayer identifying number of self-employed individual;

(B) Business activities subject to the tax imposed by chapter 21;

(C) Net earnings from farming;

(D) Net earnings from nonfarming activities;

(E) Total net earnings from self-employment; and

(F) Taxable self-employment income for purposes of chapter 2.

(iii) From Form W–2, and related forms and schedules—

(A) Social Security number;

(B) Employer identification number;

(C) Wages, tips, and other compensation;

(D) Social Security wages; and

(E) Deferred wages.

(iv) Total Social Security taxable earnings.

(v) Quarters of Social Security coverage.

(6)(i) Officers or employees of the Internal Revenue Service will disclose the following return information (but not including return information described in section 6103(o)(2)) reflected on returns of corporations with respect to the tax imposed by chapter 1 to officers and employees of the Bureau of the Census for purposes of, but only to the extent necessary in, developing and preparing, as authorized by law, the Quarterly Financial Report:

(A) From the business master files of the Internal Revenue Service—

(*1*) Taxpayer identity information (as defined in section 6103(b)(6)), including parent corporation identity information;

(*2*) Document code;

(*3*) Location codes (including area/district office and campus/service center codes);

(*4*) Consolidated return and final return indicators;

(*5*) Principal industrial activity code;

(*6*) Partial year indicator;

(*7*) Annual accounting period;

(*8*) Gross receipts less returns and allowances; and

(*9*) Total assets.

(B) From Form SS–4—

(*1*) Month and year in which such form was executed;

(*2*) Taxpayer identity information; and

(*3*) Principal industrial activity, geographic, firm size, and reason for application codes.

(ii) Subject to the requirements of paragraph (d) of this section and § 301.6103(p)(2)(B)–1, officers or employees of the Social Security Administration to whom return information reflected on returns of corporations described in paragraph (b)(6)(i)(B) of this section has been disclosed as provided by section 6103(l)(1)(A) or (l)(5) may disclose such information to officers and employees of the Bureau of the Census for a purpose described in this paragraph (b)(6). (iii) Return information reflected on employment tax returns disclosed pursuant to paragraphs (b)(2)(iii) (A), (B), (D), (I) and (J) of this section may be used by officers and employees of the Bureau of the Census for the purpose described in and subject to the limitations of this paragraph (b)(6).

(c) *Disclosure of return information reflected on returns of corporations to officers and employees of the Bureau of Economic Analysis.* (1) Officers or employees of the Internal Revenue Service will disclose to officers and employees of the Bureau of Economic Analysis for purposes of, but only to the extent necessary in, conducting and preparing, as authorized by law, statistical analyses return information consisting of Statistics of Income transcript-edit sheets containing return information reflected on returns of designated classes or categories of corporations with respect to the tax imposed by chapter 1 of the Internal Revenue Code and microfilmed records of return information reflected on such returns where needed for further use in connection with such conduct or preparation.

(2) Subject to the requirements of paragraph (d) of this section and § 301.6103(p)(2)(B)–1, officers and employees of the Social Security Administration to whom the following return information reflected on returns of designated classes or categories of corporations has been disclosed as

provided by section 6103(l)(1)(A) or (l)(5) may disclose such information to officers and employees of the Bureau of Economic Analysis for necessary purposes described in paragraph (c)(1) of this section:

(i) From Form SS–4—Principal industrial activity and geographic codes.

(ii) From an employment tax return—

(A) Total compensation reported; and

(B) Taxable wages paid for purposes of chapter 21 to each employee.

(d) *Procedures and restrictions.* Disclosure of return information reflected on returns by officers or employees of the Internal Revenue Service or the Social Security Administration as provided by paragraphs (b) and (c) of this section will be made only upon written request to the Commissioner of Internal Revenue by the Secretary of Commerce describing—

(1) The particular return information reflected on returns to be disclosed;

(2) The taxable period or date to which such return information reflected on returns relates; and

(3)(i) The particular purpose for which the return information reflected on returns is to be used, and designating by name and title the officers and employees of the Bureau of the Census or the Bureau of Economic Analysis to whom such disclosure is authorized.

(ii) No such officer or employee to whom return information reflected on returns is disclosed pursuant to the provisions of paragraph (b) or (c) of this section shall disclose such information to any person, other than the taxpayer to whom such return information reflected on returns relates or other officers or employees of such bureau whose duties or responsibilities require such disclosure for a purpose described in paragraph (b) or (c) of this section, except in a form which cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer. If the Internal Revenue Service determines that the Bureau of the Census or the Bureau of Economic Analysis, or any officer or employee thereof, has failed to, or does not, satisfy the requirements of section 6103(p)(4) of the Internal Revenue Code or regulations or published procedures thereunder (see § 601.601(d)(2) of this chapter), the Internal Revenue Service may take such actions as are deemed necessary to ensure that such requirements are or will be satisfied, including suspension of disclosures of return information reflected on returns otherwise authorized by section 6103 (j)(1) and paragraph (b) or (c) of this section, until the Internal Revenue Service determines that such requirements have been or will be satisfied.

(e) *Effective date.* This section is applicable to the Bureau of the Census on January 21, 2003.

§ 301.6103(j)(1)–1T [Removed]

Par. 3. Section 301.6103(j)(1)–1T is removed.

David A. Mader,

Assistant Deputy Commissioner of Internal Revenue.

Approved: December 20, 2002.

Pamela F. Olson,

Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 03–871 Filed 1–17–03; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 301 and 602

[TD 9036]

RIN 1545–AY77

Disclosure of Returns and Return Information by Other Agencies

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains a final regulation relating to the disclosure of returns and return information by Federal, state and local agencies other than the IRS. The final regulation permits the IRS to authorize agencies with access to returns and return information under section 6103 of the Internal Revenue Code (Code) to redisclose returns and return information, with the approval of the Commissioner of Internal Revenue (Commissioner), to any authorized recipient set forth in section 6103, subject to the same conditions and restrictions, and for the same purposes, as if the recipient had received the information from the IRS directly.

DATES: This regulation is effective January 21, 2003.

FOR FURTHER INFORMATION CONTACT: Julie C. Schwartz, 202–622–4570 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this final regulation has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 4507(d)) under control number 1545–1757. The collection of information in this regulation is in § 301.6103(p)(2)(B)–1. This information is required for the Commissioner to authorize the disclosure of returns and return information from agencies with access to returns and return information under section 6103 to other authorized recipients of returns and return information in accordance with section 6103.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The estimated annual burden per respondent varies from one half-hour to two hours, depending on individual circumstances, with an estimated average of one hour.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be sent to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, W:CAR:MP:FP:S Washington, DC 20224, and to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and return information are confidential, as required by 26 U.S.C. 6103.

Background

This document contains amendments to 26 CFR parts 301 and 602. On December 13, 2001, a notice of proposed rulemaking (REG–105344–01) was published in the **Federal Register** (66 FR 64386). No comments were received from the public in response to the notice of proposed rulemaking. No public hearing was requested or held. The proposed regulations are adopted by this Treasury decision.

Explanation of Provisions

The final regulation expands the number of agencies that may redisclose returns and return information if authorized by the Commissioner to any Federal, state or local agency that receives such information under section 6103. Similarly, it expands the universe of authorized recipients of returns and return information pursuant to this redisclosure authority to any recipient authorized to receive returns and return information in accordance with section