

*Estimated Total Reporting Burden:* 5,000 hours.

*OMB Number:* 1545-1721.

*Form Number:* IRS Form 8875.

*Type of Review:* Extension.

*Title:* Taxable REIT Subsidiary Election.

*Description:* A corporation and a REIT use Form 8875 to jointly elect to have the corporation treated as a taxable REIT subsidiary as provided in section 856(l).

*Respondents:* Business or other for-profit.

*Estimated Number of Respondents/Recordkeepers:* 1,000.

*Estimated Burden Hours Respondent/Recordkeeper:*

Recordkeeping—6 hr., 56 min.

Learning about the law or the form—18 min.

Preparing, and sending the form to the IRS—25 min.

*Frequency of response:* Other (one-time).

*Estimated Total Reporting/Recordkeeping Burden:* 7,660 hours.

*Clearance Officer:* Glenn P. Kirkland, (202) 622-3428, Internal Revenue Service, Room 6411-03, 1111 Constitution Avenue, NW., Washington, DC 20224.

*OMB Reviewer:* Joseph F. Lackey, Jr., (202) 395-7316, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503.

**Lois K. Holland,**

*Treasury PRA Clearance Officer.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Privacy Act of 1974, as Amended; System of Records

**AGENCY:** Internal Revenue Service, Treasury.

**ACTION:** Notice of proposed new Privacy Act system of records.

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Department of Treasury, Internal Revenue Service, gives notice of a proposed new system of records entitled "Treasury/IRS 42.031—Anti-Money Laundering/Bank Secrecy Act (BSA) and Form 8300 Records."

**DATES:** Comments must be received no later than June 1, 2004. This new system of records will be effective June 9, 2004, unless the IRS receives comments that would result in a contrary determination.

**ADDRESSES:** Comments should be sent to the Office of Governmental Liaison and Disclosure, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224. Comments will be made available for inspection and copying upon request in the Freedom of Information Reading Room (1621), at the above address.

**FOR FURTHER INFORMATION CONTACT:** Maureen Sanders, National Anti-Money Laundering Program Manager S:C:CP:RE:AML, 19th Floor, 1601 Market Street, Philadelphia, PA 19106. Phone: (215) 861-1547.

**SUPPLEMENTARY INFORMATION:** The strategic outcome for the IRS Anti-Money Laundering (AML) Program is to increase compliance of non-bank financial institutions and non-financial trades and businesses (including the individuals who operate these institutions, trades, and businesses) with the registration, reporting and recordkeeping requirements of the Bank Secrecy Act and I.R.C. Sec. 6050I.

To accomplish this strategic outcome, the IRS will be monitoring compliance with these obligations, educating individuals and businesses where patterns of noncompliance have been identified, and taking enforcement actions where necessary. A proposed rule to exempt the system of records from provisions of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2) is being published separately in the **Federal Register**.

The new system of records report, as required by 5 U.S.C. 552a(r) of the Privacy Act, has been submitted to the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Office of Management and Budget, pursuant to Appendix I to OMB Circular A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," dated November 30, 2000.

The proposed new system of records entitled "Treasury/IRS 42.031—Anti-Money Laundering/Bank Secrecy Act (BSA) and Form 8300 Records" is published in its entirety below.

Dated: April 21, 2004.

**Jesus Delgado-Jenkins,**

*Acting Assistant Secretary for Management.*

#### TREASURY/IRS 42.031

##### SYSTEM NAME:

Anti-Money Laundering/Bank Secrecy Act (BSA) and Form 8300 Records.

##### SYSTEM LOCATION:

Internal Revenue Service, Detroit Computing Center, 985 Michigan Avenue, Detroit, MI 48226, and IRS

Area Offices. (See IRS appendix A for addresses.)

##### CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

(1) Individuals whose businesses provide any of the financial services which subject them to the reporting, recordkeeping or registration requirements of the laws commonly known as the Bank Secrecy Act (BSA), or the related reporting and recordkeeping requirements of I.R.C. Sec. 6050I, (2) individuals acting as employees, owners or customers of such institutions or involved, directly or indirectly, in any transaction with such institutions. Examples of institutions that offer financial services are: currency dealers, check cashiers, money order or traveler's check issuers, sellers, or redeemers, casinos, card clubs, and other money transmitters, and (3) persons who may be witnesses or may otherwise be providing information concerning these individuals.

##### CATEGORIES OF RECORDS IN THE SYSTEM:

Records may be paper or electronic, relating to the administration of the IRS anti-money laundering program including the registration, reporting and recordkeeping requirements of the BSA and I.R.C. Sec. 6050I. They may also relate to individuals who, based upon certain tolerances, exhibit patterns of financial transactions suggesting noncompliance with the registration, reporting and recordkeeping requirements of the BSA and I.R.C. Sec. 6050I. Records may also relate to IRS administrative actions, such as notification, educational efforts, compliance examination results, and civil or criminal referrals.

##### AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 U.S.C. 301; 31 U.S.C. 5311-5332; 26 U.S.C. 6050I, 7801, and 7803.

##### PURPOSE:

The purpose of the system is for IRS to administer 26 U.S.C. 6050I and 31 U.S.C. 5311 *et seq.* to promote compliance with anti-money laundering laws. These records will also be used to prepare periodic reports for the Department and Congress.

##### ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USE:

Disclosure of returns and return information may be made only as provided by 26 U.S.C. 6103. Records other than returns and return information may be disclosed:

(1) To the Department of Justice for the purpose of litigating an action and seeking legal advice;

(2) To appropriate Federal, State, local or foreign agencies responsible for investigating or prosecuting the violations of or for enforcing or implementing a statute, rule, regulation, order, or license, where the Service becomes aware of an indication of a potential violation of civil or criminal law or regulation, or the use is required in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism;

(3) To a Federal, State or local agency maintaining civil, criminal, or other relevant enforcement information or other pertinent information, which has requested information relevant to or necessary to the requesting agency's or the bureau's hiring or retention of an individual or issuance of a security clearance, license, contract, grant, or other benefit;

(4) In a proceeding before a court, adjudicative body, or other administrative body, before which the agency is authorized to appear when: (a) The agency, or (b) any employee of the agency in his or her official capacity, or (c) any employee of the agency in his or her individual capacity where the Department of Justice or the agency has agreed to represent the employee, or (d) the United States, when the agency determines that the litigation is likely to affect the agency, is a party to litigation or has an interest in such litigation, and the use of such records by the agency is deemed to be relevant and necessary and not otherwise privileged;

(5) To a congressional office in response to an inquiry made at the request of the individual to whom the record pertains;

(6) To the news media in accordance with guidelines contained in 28 CFR

50.2 which relate to an agency's functions relating to civil and criminal proceedings, unless release would constitute an unwarranted invasion of personal privacy;

(7) To third parties during the course of an investigation to the extent necessary to obtain information pertinent to the investigation;

(8) To any agency, including any State financial institutions supervisory agency, United States intelligence agency or self-regulatory organization registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission, upon written request of the head of the agency or organization. The records shall be available for a purpose that is consistent with title 31, as required by 31 U.S.C. 5319; and

(9) To representatives of the National Archives and Records Administration (NARA) who are conducting records management inspections under authority of 44 U.S.C. 2904 and 2906.

**POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THIS SYSTEM:**

**STORAGE:**

Paper, electronic, and magnetic media.

**RETRIEVABILITY:**

Name and Taxpayer Identification Number (Social Security Number or Employee Identification Number).

**SAFEGUARDS:**

Access controls will not be less than those provided for by the Managers Security Handbook IRM 1.16 and the Automated Information System Security Handbook IRM 25.10.2.

**RETENTION AND DISPOSAL:**

Record retention will be in accordance with the National Archives and Records Administration Regulations Part 1228, Subpart B—Scheduling Records.

**SYSTEM MANAGER(S) AND ADDRESS:**

Official prescribing policies and practices—Commissioner, Small Business/Self-Employed Division, New Carrollton Federal Building, Lanham, MD.

**NOTIFICATION PROCEDURE:**

This system of records may not be accessed for purposes of determining if the system contains a record pertaining to a particular individual.

**RECORD ACCESS PROCEDURES:**

This system of records may not be accessed for purposes of inspection or for contest of content of records.

**CONTESTING RECORD PROCEDURES:**

26 U.S.C. 7852(e) prohibits Privacy Act amendment of tax records. Title 31 records may only be contested under the provisions of title 31.

**SOURCE CATEGORIES:**

The system contains material for which sources need not be reported.

**EXEMPTIONS CLAIMED FOR THE SYSTEM:**

Records maintained in this system have been designated as exempt from 5 U.S.C. 552a(c)(3), (d)(1), (2), (3), and (4), (e)(1), (e)(4)(G), (H), and (I), and (f) of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2). See 31 CFR 1.36.

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