

decendent's inventory would require action by OHA. See 43 CFR 30.127.

### 3. Clarifying OHA's authority to order distribution of trust funds.

The current regulation at 43 CFR 30.254 governs how a judge distributes a decendent's trust or restricted property when the decendent died without a valid will and has no heirs. The rule establishes different distributions based on whether 25 U.S.C. 2206(a) applies, but does not identify trust personalty as a stand-alone category of trust property for distribution (where there are no land interests in the decendent's estate or within the jurisdiction of any tribe).

Revision under consideration:

- A modification to this regulation would provide clear authority for OHA to order distribution of trust funds when there are either no land interests in a decendent's estate or no land interests within the jurisdiction of any tribe. Additionally, where the estate contains trust personalty associated with one tribe but interests in trust lands associated with another, OHA would order the trust personalty distributed to the tribe with sufficient nexus to the funds, as determined by the judge, and the land distributed to the tribe with jurisdiction over those interests.

Dated: November 18, 2016.

**Lawrence S. Roberts,**

*Principal Deputy Assistant Secretary—Indian Affairs.*

[FR Doc. 2016–28751 Filed 12–2–16; 8:45 am]

**BILLING CODE 4337–15–P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–102952–16]

RIN 1545–BN43

#### Tax Return Preparer Due Diligence Penalty Under Section 6695(g)

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

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations that will modify the existing regulations related to the penalty under section 6695(g) of the Internal Revenue Code (Code) relating to tax return preparer due diligence. The temporary regulations implement recent law changes that expand the tax return preparer due diligence penalty under

section 6695(g) so that it applies to the child tax credit (CTC), additional child tax credit (ACTC), and the American Opportunity Tax Credit (AOTC), in addition to the earned income credit (EIC). The text of those regulations also serves as the text of these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be received by March 6, 2017.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–102952–16), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG–102952–16), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG–102952–16).

#### FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Rachel L. Gregory, 202–317–6845; concerning submissions of comments and the hearing, Regina Johnson, 202–317–6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Paperwork Reduction Act

The collection of information in current § 1.6695–2 was previously reviewed and approved under control number 1545–1570. Control number 1545–1570 was discontinued in 2014, as the burden for the collection of information contained in § 1.6695–2 is reflected in the burden on Form 8867, "Paid Preparer's Due Diligence Checklist," under control number 1545–1629.

##### Background and Explanation of Provisions

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend 26 CFR 1.6695–2 by imposing due diligence requirements on tax return preparers with respect to determining the eligibility for, or the amount of, the CTC/ACTC or AOTC, in addition to the EIC, on any return or claim for refund. The temporary regulations also amend section 1.6695–2 to reflect the changes made by section 208(c), Div. B of the Tax Increase Prevention Act of 2014, Public Law 113–295 (128 Stat. 4010, 4073 (2014)), requiring the IRS to index the penalty for inflation for returns and claims for refund filed after December 31, 2014.

The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

#### Special Analyses

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. Therefore, a regulatory assessment is not required.

Pursuant to the Regulatory Flexibility Act (RFA) (5 U.S.C. chapter 6), it is hereby certified that these proposed rules, if adopted, would not have a significant economic impact on a substantial number of small entities. When an agency issues a notice of proposed rulemaking, the RFA requires the agency to "prepare and make available for public comment an initial regulatory flexibility analysis" that will "describe the impact of the proposed rule on small entities." (5 U.S.C. 603(a)). Section 605 of the RFA provides an exception to this requirement if the agency certifies that the proposed rulemaking will not have a significant economic impact on a substantial number of small entities.

The proposed rules affect tax return preparers who determine the eligibility for, or the amount of, the EIC, the CTC/ACTC and/or the AOTC. The North American Industry Classification System (NAICS) code that relates to tax return preparation services (NAICS code 541213) is the appropriate code for tax return preparers subject to this notice of proposed rulemaking. Entities identified as tax return preparation services are considered small under the Small Business Administration size standards (13 CFR 121.201) if their annual revenue is less than \$20.5 million. The IRS estimates that approximately 75 to 85 percent of the 505,000 persons who work at firms or are self-employed tax return preparers are operating as or employed by small entities. The IRS has therefore determined that these proposed rules will have an impact on a substantial number of small entities.

The IRS has further determined, however, that the economic impact on entities affected by the proposed rules will not be significant. The current regulations under section 6695(g) already require tax return preparers to complete the Form 8867 when a return or claim for refund includes a claim of the EIC. Tax return preparers also must currently maintain records of the checklists and EIC computations, as well as a record of how and when the information used to compute the EIC was obtained by the tax return preparer.

The information needed to document eligibility for the CTC/ACTC and the AOTC largely duplicates the information needed to compute the EIC and complete other parts of the return or claim for refund. Even if certain preparers are required to maintain the checklists and complete Form 8867 for the first time, the IRS estimates that the total time required should be minimal for these tax return preparers. Further, the IRS does not expect that the requirements in these proposed regulations would necessitate the purchase of additional software or equipment in order to meet the additional information retention requirements.

Based on these facts, the IRS hereby certifies that the collection of information contained in this notice of proposed rulemaking will not have a significant economic impact on a substantial number of small entities. Accordingly, a Regulatory Flexibility Analysis is not required.

Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on the impact on small business.

### Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are timely submitted to the IRS as prescribed in this preamble under the **ADDRESSES** heading. The IRS and Treasury Department request comments on all aspects of the proposed rules. All comments will be available at [www.regulations.gov](http://www.regulations.gov) or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

### Drafting Information

The principal author of this regulation is Rachel L. Gregory, Office of the Associate Chief Counsel (Procedure & Administration).

### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

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

■ **Par. 2.** Section 1.6695–2 is amended by revising the section heading and paragraphs (a), (b)(1)(i) introductory text, (b)(1)(ii), (b)(2), (b)(3)(i) and (ii), (b)(4)(i)(B) and (C), (c)(3), and (e) to read as follows:

#### § 1.6695–2 Tax return preparer due diligence requirements for certain credits.

(a) [The text of the proposed amendment to § 1.6695–2(a) is the same as the text of § 1.6695–2T(a) published elsewhere in this issue of the **Federal Register**].

(b) \* \* \*

(1) \* \* \*

(i) [The text of the proposed amendment to § 1.6695–2(b)(1)(i) is the same as the text of § 1.6695–2T(b)(1)(i) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(ii) [The text of the proposed amendment to § 1.6695–2(b)(1)(ii) is the same as the text of § 1.6695–2T(b)(1)(ii) published elsewhere in this issue of the **Federal Register**].

(2) [The text of the proposed amendment to § 1.6695–2(b)(2) is the same as the text of § 1.6695–2T(b)(2) published elsewhere in this issue of the **Federal Register**].

(3) \* \* \*

(i) [The text of the proposed amendment to § 1.6695–2(b)(3)(i) is the same as the text of § 1.6695–2T(b)(3)(i) published elsewhere in this issue of the **Federal Register**].

(ii) [The text of the proposed amendment to § 1.6695–2(b)(3)(ii) is the same as the text of § 1.6695–2T(b)(3)(ii) published elsewhere in this issue of the **Federal Register**].

(4) \* \* \*

(i) \* \* \*

(B) [The text of the proposed amendment to § 1.6695–2(b)(4)(i)(B) is the same as the text of § 1.6695–2T(b)(4)(i)(B) published elsewhere in this issue of the **Federal Register**].

(C) [The text of the proposed amendment to § 1.6695–2T(b)(4)(i)(C) is the same as the text of § 1.6695–2T(b)(4)(i)(C) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(c) \* \* \*

(3) [The text of the proposed amendment to § 1.6695–2T(c)(3) is the same as the text of § 1.6695–2T(c)(3) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(e) *Applicability date.* The rules of this section apply to tax returns and claims for refunds prepared on or after the date of publication of the Treasury decision adopting these rules as final regulations in the **Federal Register** with respect to tax years beginning after December 31, 2015.

**John M. Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2016–28995 Filed 12–2–16; 8:45 am]

BILLING CODE 4830–01–P

### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Parts 52

[EPA–R04–OAR–2012–0689; FRL–9955–95–Region 4]

#### Air Plan Disapproval; AL; Prong 4 Visibility for the 2008 8-Hour Ozone Standard

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is proposing to disapprove the visibility transport (prong 4) portion of a revision to the Alabama State Implementation Plan (SIP), submitted by the Alabama Department of Environmental Management (ADEM), addressing the Clean Air Act (CAA) or Act) infrastructure SIP requirements for the 2008 8-hour ozone National Ambient Air Quality Standards (NAAQS). The CAA requires that each state adopt and submit a SIP for the implementation, maintenance, and enforcement of each NAAQS promulgated by EPA, commonly referred to as an “infrastructure SIP.” Specifically, EPA is proposing to disapprove the prong 4 portion of Alabama’s August 20, 2012, 2008 8-hour ozone infrastructure SIP submission. All other applicable infrastructure requirements for this SIP submission have been addressed in separate rulemakings.

**DATES:** Comments must be received on or before December 27, 2016.

**ADDRESSES:** Submit your comments, identified by Docket ID No EPA–R04–OAR–2012–0689 at <http://www.regulations.gov>. Follow the online instructions for submitting comments.