Balanced System for Measuring Organizational and Employee Performance Within the Internal Revenue Service

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 designed to modify 26 CFR Part 801, the regulations governing the IRS Balanced System for Measuring Organizational and Employee Performance, to clarify when quantity measures, which are not tax enforcement results, may be used in measuring organizational and employee performance. The temporary regulations affect internal operations of the IRS and the systems it employs to evaluate the performance of organizations within the IRS. The text of the temporary regulations also serve as the text of these proposed regulations.

DATES: Written or electronic comments and requests for a public hearing must be received by December 16, 2005.
ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-114444-05), Room 5203, PO 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-114444-05), Courier’s Desk, 1111 Constitution Avenue, NW., Washington, DC 20224 or sent electronically via the IRS Internet site at www.irs.gov/regs or via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-114444-05).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Neil Worden, (202) 283-7900; concerning submissions of comments Robin Jones, Publications and Regulations Branch, (202) 622-3521(not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Temporary regulations in the Rules and Regulations section of this issue of the Federal Register amend 26 CFR Part 801. The temporary regulations amend Part 801 to clarify when quantity measures, which are not tax enforcement results, may be used in measuring organizational and employee performance. The text of those regulations also serves as the text of these regulations. The “Explanation of Provisions” section of the temporary regulations explains the temporary regulations and these proposed regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking 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 regulation does 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 Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its 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 or electronic comments that are timely submitted to the IRS. The IRS and the Treasury Department specifically request comments on the clarity of the proposed regulations and how they can be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested by any person who timely submits comments. If a public hearing is scheduled, notice of the date, time and place for the hearing will be published in the Federal Register.

**Drafting Information**

The principal author of these regulations is Karen F. Keller, Office of Associate Chief Counsel (General Legal Services). However, other personnel from the IRS participated in their development.

**List of Subjects in 26 CFR Part 801**

Organization and functions (Government agencies), Federal employees
Proposed Amendments to the Regulations

Accordingly, 26 CFR Part 801 is proposed to be amended as follows:

PART 801--BALANCED SYSTEM FOR MEASURING ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE WITHIN THE INTERNAL REVENUE SERVICE

Paragraph 1. The authority citation for Part 801 continues to read in part as follows:

Authority: 5 U.S.C. 9501 * * *

Par. 2. Section 801.1T is redesignated as §801.1 and amended by revising the section heading to read as follows:

§801.1 Balanced performance measurement system; in general.

[The text of proposed §801.1 is the same as the text of §801.1T published elsewhere in this issue of the Federal Register].

Par. 3. Section 801.2T is redesignated as §801.2 and amended by revising the section heading to read as follows:

§801.2 Measuring organizational performance.

[The text of proposed §801.2 is the same as the text of §801.2T published elsewhere in this issue of the Federal Register].

Par. 4. Section 801.3T is redesignated as §801.3 and amended by revising the section heading to read as follows:

§801.3 Measuring employee performance.

[The text of proposed §801.3 is the same as the text of §801.3T published elsewhere in this issue of the Federal Register].

Par. 5. Section 801.4T is redesignated as §801.4 and amended by revising the section heading to read as follows:
§801.4 Customer satisfaction measures.

[The text of proposed §801.4 is the same as the text of §801.4T published elsewhere in this issue of the Federal Register].

Par. 6. Section 801.5T is redesignated as §801.5 and amended by revising the section heading to read as follows:

§801.5 Employee satisfaction measures.

[The text of proposed §801.5 is the same as the text of §801.5T published elsewhere in this issue of the Federal Register].

Par. 7. Section 801.6T is redesignated as §801.6 and amended by revising the section heading to read as follows:

§801.6 Business results measures.

[The text of proposed §801.6 is the same as the text of §801.6T published elsewhere in this issue of the Federal Register].

Par. 8. Section 801.7T is redesignated as §801.7 and amended by revising the section heading to read as follows:

§801.7 Examples.

[The text of the proposed §801.7 is the same as the text of §801.7T published elsewhere in this issue of the Federal Register].

Par. 9. Section 801.8T is redesignated as §801.8 and revised to read as follows:
§801.8 Effective dates.

[The text of proposed §801.8 is the same as the text of §801.8T(a) published elsewhere in this issue of the Federal Register].

/s/ Mark E. Matthews
Deputy Commissioner for Services and Enforcement.