

[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[REG-121109-00]

RIN 1545-AY52

Disclosure of Return Information to the Bureau of the Census

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 **Federal Register**, the IRS is issuing temporary regulations relating to additions to the list of items of information disclosed to the Bureau of the Census for use in the Longitudinal Employer-Household Dynamics (LEHD) project and the Survey of Income and Program Participation (SIPP) project. These regulations provide guidance to IRS and Social Security Administration (SSA) personnel responsible for disclosing the information. The text of those temporary regulations also serves as the text of these proposed regulations.

DATES: Written and electronic comments and requests for a public hearing must be received by May 14, 2001.

ADDRESSES: Send submissions to: CC:M&SP:RU (REG-121109-00), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In

the alternative, submissions may be hand-delivered between the hours of 8 a.m. and 5 p.m. to CC:M&SP:RU (REG-121109-00), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC or sent electronically, via the IRS Internet site at: [http://www.irs.ustreas.gov/tax\\_regs/reglist.html](http://www.irs.ustreas.gov/tax_regs/reglist.html).

FOR FURTHER INFORMATION CONTACT: Stuart Murray, (202) 622-4580 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### **Background**

Under section 6103(j)(1), upon written request from the Secretary of Commerce, the Secretary is to furnish to the Bureau of the Census (Bureau) tax return information that is prescribed by Treasury regulations for the purpose of, but only to the extent necessary in, structuring censuses and national economic accounts and conducting related statistical activities authorized by law. Section 301.6103(j)(1)-1 of the regulations further defines such purposes by reference to 13 U.S.C. Chapter 5 and provides an itemized description of the return information authorized to be disclosed for such purposes. Section 301.6103(j)(1)-1(b)(5) of the regulations provides a list of information provided to the Social Security Administration (SSA) pursuant to Internal Revenue Code section 6103(l)(1)(A) or (5) that officers or employees of SSA may disclose to the Bureau. Periodically, the disclosure regulations are amended to reflect the changing needs of the Bureau for data for its statutorily authorized statistical activities.

This document contains proposed amendments to the regulations authorizing IRS and SSA personnel to disclose additional items of return information that have been requested by the Secretary of Commerce for specified purposes related to the LEHD and SIPP projects.

The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the 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 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 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 a Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any electronic and written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. The IRS and Treasury Department specifically request comments on the clarity of the proposed regulation 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 in writing by a person that 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 Jamie G. Bernstein, Office of the Associate Chief Counsel, Procedure & Administration (Disclosure & Privacy Law Division), Internal Revenue Service. However, other personnel from the IRS and Treasury Department participated in their development.

### **List of Subjects in 26 CFR part 301**

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

### **Proposed Amendments to the Regulations**

Accordingly, 26 CFR Part 301 is proposed to be amended as follows:

#### **PART 301--PROCEDURE AND ADMINISTRATION**

Paragraph 1. The authority citation for part 301 is amended by adding an entry in numerical order to read as follows:

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

Section 301.6103(j)(1)-1 also issued under 26 U.S.C. 6103(j)(1);\* \* \*

Par. 2. Section 301.6103(j)(1)-1 is amended by:

1. Adding paragraphs (b)(2)(v) and (vi).

2. Adding paragraphs (b)(3)(xxiii), (xxiv), (xxv), (xxvi), (xxvii) and (xxviii).
3. Adding paragraphs (b)(5)(iii), (iv), and (v).
4. Revising paragraph (e).

The additions and revision read as follows:

§301.6103(j)(1)-1 Disclosure of return information to officers and employees of the Department of Commerce for certain statistical purposes and related activities.

\* \* \* \* \*

(b)\* \* \*

(2)(v) and (vi)[The text of proposed paragraphs (b)(2)(v) and (vi) is the same as the text of §301.6103(j)(1)-1T(b)(2)(v) and (vi) published elsewhere in this issue of the **Federal Register**].

(3)[The text of proposed paragraphs (b)(3)(xxiii), (xxiv), (xxv), (xxvi), (xxvii) and (xxviii) is the same as the text of §301.6103(j)(1)-1T(b)(3)(xxiii), (xxiv), (xxv), (xxvi), (xxvii) and (xxviii) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(5)(iii), (iv), and (v) [The text of proposed paragraphs (b)(5)(iii), (iv), and (v) is the same as the text of §301.6103(j)(1)-1T(b)(5)(iii), (iv), and (v) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(e) [The text of proposed paragraph (e) is the same as the text of §301.6103(j)(1)-1T(e) published elsewhere in this issue of the **Federal Register**].

Robert E. Wenzel

Deputy Commissioner of the Internal Revenue