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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

REG-147195-04

RIN 1545-BE08

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, and deletions from, the list of items of return information disclosed to the Bureau of the Census (Bureau) for use in producing demographic statistics programs, including the Bureau's Small Area Income and Poverty Estimates (SAIPE). These temporary regulations provide guidance to IRS personnel responsible for disclosing the information. The text of these temporary regulations published in the Rules and Regulation section of this issue of the **Federal Register** serves as the text of the proposed regulations.

DATES: Written and electronic comments and requests for a public hearing must be received by June 9, 2005.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-147195-04), room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-148864-03), Courier's Desk, Internal Revenue Service, 1111

Constitution Avenue, NW., Washington, DC or sent electronically, via the IRS Internet site at: www.irs.gov/regs or via the Federal eRulemaking Portal at www.regulations.gov (IRS and REG-148864-03).

FOR FURTHER INFORMATION CONTACT: Concerning submission of comments, Treena Garrett, (202) 622-7180 (not a toll-free number); concerning the temporary regulations, James O'Leary, (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 of the Treasury is to furnish to the Bureau of the Census (Bureau) 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 provides an itemized description of the return information authorized to be disclosed for this purpose. 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 regulations authorizing IRS personnel to disclose additional items of return information that have been requested by the Secretary of Commerce, and to remove certain items of return information that are enumerated in the existing regulations but that the Secretary of Commerce has indicated are no longer needed.

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Procedure and Administration Regulations (26 CFR Part 301) relating to Internal Revenue Code (Code) section 6103(j). The temporary regulations contain rules relating to the disclosure of return information reflected on returns to officers and employees of the Department of Commerce for structuring censuses and national economic accounts and conducting related statistical activities authorized by law.

The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the 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 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, these proposed regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their 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 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 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 James C. O'Leary, Office of the Associate Chief Counsel (Procedure & Administration), Disclosure and Privacy Law Division.

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 in part, 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. In §301.6103(j)(1)-1 paragraphs (b)(1), (b)(3), and (e) are revised to 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) [The text of proposed paragraphs (b)(1), (b)(3) and (e) are the same as the text of §301.6103(j)(1)-1 T(b)(1), (b)(3) and (e) published elsewhere in this issue of the **Federal Register**].

Mark E. Matthews

Deputy Commissioner for Services and Enforcement.