

## Part IV. Items of General Interest

### Notice of Proposed Rulemaking

### Disclosure of Information to State Officials Regarding Tax-Exempt Organizations

#### REG-140108-08

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that amend existing regulations to reflect changes to section 6104(c) of the Internal Revenue Code (Code) made by the Pension Protection Act of 2006 (PPA). These rules provide guidance to states regarding the process by which they may obtain or inspect certain returns and return information (including information about final and proposed denials and revocations of tax-exempt status) for the purpose of administering state laws governing certain tax-exempt organizations and their activities. These regulations will affect such exempt organizations, as well as those state agencies choosing to obtain information from the Internal Revenue Service (IRS) under section 6104(c).

DATES: Written or electronic comments and requests for a public hearing must be received by June 13, 2011.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-140108-08), Room 5203, 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-140108-08), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC, or sent electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-140108-08).

FOR FURTHER INFORMATION CONTACT: Concerning submission

of comments, Oluwafunmilayo Taylor, (202) 622-7180 (not a toll-free number); concerning the proposed regulations, Casey Lothamer, (202) 622-6070 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

###### *I. In general*

This document contains proposed amendments to 26 CFR part 301 under section 6104(c), which will replace current §301.6104(c)-1 in its entirety. Section 6104(c) governs when the IRS may disclose to state officials certain information about organizations described in section 501(c)(3) ("charitable organizations"), organizations that have applied for recognition as organizations described in section 501(c)(3) ("applicants"), and certain other exempt organizations. Section 6104(c) was added to the Code by section 101(e) of the Tax Reform Act of 1969 (Public Law 91-172, 83 Stat. 523) and significantly amended by section 1224(a) of the PPA (Public Law 109-280, 120 Stat. 1091).

Section 501(c)(3) organizations may be affected by the expanded disclosures to state officials authorized under the statute and proposed regulations. First, the IRS is now authorized (under new section 6104(c)(2), as added by the PPA) to disclose information about certain proposed revocations and proposed denials before an administrative appeal has been made and a final revocation or denial has been issued. For those organizations that have received a determination letter stating that they are described in section 501(c)(3), the IRS may disclose a proposed revocation (before any administrative appeal) to an appropriate state officer (ASO). This broader authority applies both where the organization was required under section 508 to apply for the determination letter and where the organization elected to apply for a determination letter even though it was not required to do so. The IRS continues to be authorized to disclose final revocations and final denials issued after any administrative appeal has been concluded for any section 501(c)(3) organization.

Second, under the authority of new section 6104(c)(2)(D), as added by the PPA, the IRS may disclose returns or return information of any section 501(c)(3) organization to ASOs on its own initiative, regardless of whether it has initiated an examination, if it determines that the information may be evidence of noncompliance with state laws under the jurisdiction of the ASO. Thus, if the IRS believes these conditions are met, it may, for example, disclose to ASOs a proposed revocation of exemption for a section 501(c)(3) organization that does not have a determination letter. All disclosures authorized under section 6104(c) may be made only if the state receiving the information is following applicable disclosure, recordkeeping and safeguard procedures.

The statute and proposed regulations also permit disclosure of information to state officials about all applicants for section 501(c)(3) status.

Exempt organizations other than section 501(c)(3) organizations also may be affected by the disclosures to state officials authorized under the statute and proposed regulations. The IRS is authorized to disclose returns and return information of these organizations to ASOs upon written request, but only to the extent necessary to administer state laws regulating the solicitation or administration of charitable funds or charitable assets. Again, all such disclosures may be made only if the state receiving the information is following applicable disclosure, recordkeeping and safeguard procedures.

Section 6104(c)(1), which is unchanged by the PPA, directs the IRS to share certain information with ASOs regarding charitable organizations and applicants. Specifically, section 6104(c)(1) provides that the IRS is to notify the ASO of the following final determinations: (1) a refusal to recognize an entity as an organization described in section 501(c)(3); (2) the operation of a section 501(c)(3) organization in a manner not meeting, or no longer meeting, the requirements of its exemption; and (3) the mailing of a notice of deficiency for any tax imposed under section 507, chapter 41, or chapter 42. See section 6104(c)(1)(A) and (c)(1)(B). The directive under section 6104(c)(1)(A) to notify

ASOs of an organization no longer meeting the requirements for exemption under section 501(c)(3) includes not only notice of a revocation of exemption, but also notice (when the IRS is so informed) that a charitable organization is terminating or has dissolved in accordance with its governing documents. Upon request, an ASO may inspect and copy the returns, filed statements, records, reports, and other information relating to a final determination as described in this paragraph, as are relevant to any determination under state law. See section 6104(c)(1)(C).

## II. PPA changes to section 6104(c)

The PPA amended section 6104(c) by striking paragraph (2) and inserting new paragraphs (2) through (6) as follows.

(1) The IRS may disclose to an ASO proposed refusals to recognize organizations as charitable organizations, and proposed revocations of such recognition. The PPA also allows disclosure of notices of proposed deficiencies of excise taxes imposed by section 507 and chapters 41 and 42 relating to charitable organizations. See section 6104(c)(2)(A)(i) and (c)(2)(A)(ii). Previously, only final determinations of this kind (denials of recognition, revocations, and notices of deficiency) could be disclosed under section 6104(c).

(2) The IRS may disclose to an ASO the names, addresses, and taxpayer identification numbers of applicants. See section 6104(c)(2)(A)(iii). Previously, information on applicants, other than information relating to a denial of recognition, could not be disclosed under section 6104(c).

(3) The IRS may disclose to an ASO the returns and return information of organizations with respect to which information is disclosed as described in paragraphs (1) and (2) of this section II (proposed determinations and applicant identifying information). See section 6104(c)(2)(B). Prior law allowed for disclosure under section 6104(c) only of returns and return information related to final determinations.

(4) Proposed determinations, identifying information, and the related returns and return information with respect to charitable organizations and applicants may be disclosed to an ASO only upon the ASO's written request and only as necessary to administer state laws regulating charita-

ble organizations, such as laws governing tax-exempt status, charitable trusts, charitable solicitation, and fraud. See section 6104(c)(2)(C). Prior law provided for automatic disclosure (without a request), but only of final determinations and their related returns and return information.

(5) The IRS may disclose to an ASO on its own initiative (without a written request) returns and return information with respect to charitable organizations and applicants if the IRS determines that this information might constitute evidence of noncompliance with the laws under the jurisdiction of the ASO. See section 6104(c)(2)(D). There was no such provision under section 6104(c) previously.

(6) The IRS may disclose returns and return information of section 501(c) organizations other than those described in section 501(c)(1) or (c)(3) to an ASO upon the ASO's written request, but only to the extent necessary in administering state laws relating to the solicitation or administration of charitable funds or charitable assets of such organizations. See section 6104(c)(3). Previously, only information relating to charitable organizations or applicants was disclosed under section 6104(c).

(7) Returns and return information of organizations and taxable persons disclosed under section 6104(c) may be disclosed in civil administrative and civil judicial proceedings pertaining to the enforcement of state laws regulating such organizations, under procedures prescribed by the IRS similar to those under section 6103(h)(4). See section 6104(c)(4). There was no such provision under section 6104(c) previously.

(8) No return or return information may be disclosed under section 6104(c) to the extent the IRS determines that such disclosure would seriously impair federal tax administration. See section 6104(c)(5). This disclosure prohibition, though new in the PPA, was provided previously by regulation. See current §301.6104(c)-1(b)(3)(ii).

(9) The IRS may disclose returns and return information under section 6104(c) to a state officer or employee designated by the ASO to receive such information on the ASO's behalf. See section 6104(c)(2)(C) (flush language) and (c)(3). Prior law did not provide for IRS disclosures to persons other than ASOs.

(10) An ASO is defined as the state attorney general, state tax officer, any state official charged with overseeing charitable organizations (in the case of charitable organizations and applicants), and the head of the state agency charged with the primary responsibility for overseeing the solicitation of funds for charitable purposes (in the case of section 501(c) organizations other than those described in section 501(c)(1) or (c)(3)). See section 6104(c)(6)(B). Before its amendment by the PPA, section 6104(c)(2) defined ASO as the state attorney general, state tax officer, or any state official charged with overseeing organizations of the type described in section 501(c)(3).

## III. Related PPA provisions

The PPA amended section 6103(p) to make the disclosure of returns and return information under section 6104(c) subject to the disclosure, recordkeeping, and safeguard provisions of section 6103. These provisions include—

(1) section 6103(a), which is the general prohibition on the disclosure of returns and return information, except as authorized by Title 26 of the United States Code;

(2) section 6103(p)(3), which requires the IRS to maintain permanent standardized records of all requests for inspection or disclosure of returns or return information under section 6104(c) and of all such information inspected or disclosed pursuant to those requests; and

(3) section 6103(p)(4), which requires an ASO, as a condition for receiving returns or return information under section 6104(c), to establish and maintain certain safeguards, such as keeping permanent standardized records of all requests and disclosures, maintaining a secure information storage area, restricting access to the information, and providing whatever other safeguards the IRS deems necessary to protect the confidentiality of the information. See §301.6103(p)(4)-1 and IRS Publication 1075, *Tax Information Security Guidelines for Federal, State and Local Agencies*. Publication 1075 can be found at [www.irs.gov/formspubs](http://www.irs.gov/formspubs).

The PPA also included amendments to sections 7213, 7213A, and 7431 to impose civil and criminal penalties for the unauthorized disclosure or inspection of section 6104(c) information.

#### *IV. IRS disclosure procedures*

In general, before any federal or state agency may receive returns and return information from the IRS under a particular Code provision, it must file with the IRS a report detailing the physical, administrative, and technical safeguards implemented by the agency to protect this information from unauthorized inspection or disclosure. Only upon approval of these safeguards by the IRS, as well as satisfaction of any other statutory requirements (such as submission of a written request), may an agency receive the information to which it is entitled under the Code, and then only for the use specified by the relevant statute. See section 6103(p)(4).

Under various disclosure programs, the IRS and other federal and state agencies often execute agreements detailing the responsibilities of the parties and the terms and parameters of the disclosure arrangement. For example, under section 6103(d), the IRS executes a disclosure agreement (the “Basic Agreement”) with each state tax agency to which it discloses information. The Basic Agreement, which serves as the written request required by section 6103(d), has been the foundation of the state tax disclosure program under this provision of the Code for over 30 years. See Internal Revenue Manual Exhibit 11.3.32–1 (sample Basic Agreement).

After the PPA, the IRS revised its disclosure procedures under section 6104(c) to model them after the highly successful section 6103(d) program. The section 6104(c) program uses a disclosure agreement patterned after the Basic Agreement but tailored to the specific requirements and restrictions of section 6104(c).

#### **Explanation of Provisions**

These proposed regulations provide guidance regarding disclosures under section 6104(c), as amended by the PPA. The PPA amendments to sections 6104(c) and 6103 expand the scope of information the IRS may disclose to an ASO, but make such disclosures contingent on the ASO adopting the safeguard standards and procedures of section 6103 that apply to federal and state agencies that receive returns and return information under other provisions of the Code. Accordingly,

these proposed regulations provide that, without prior safeguard approval, the IRS will not give automatic notification of any determinations or other information that may be disclosed under section 6104(c).

Under these proposed regulations, the IRS may (and currently does) require an ASO to enter into a disclosure agreement with the IRS, which will stipulate the procedures for disclosure under section 6104(c), as well as the restrictions on use and redisclosure. These proposed regulations provide that this agreement, or any similar document, satisfies the requirement under section 6104(c) for a written request for disclosure.

An ASO who meets the safeguard and other procedural requirements of section 6103(p)(4) may receive information from the IRS to be used in the administration of state laws governing charitable organizations, as well as laws governing the solicitation or administration of charitable funds or charitable assets of certain non-charitable exempt organizations. The information available to ASOs under these proposed regulations not only is greater in scope than what was available under section 6104(c) before its amendment by the PPA, but comes at an earlier stage in the IRS administrative and enforcement processes. Thus, the IRS may disclose such information as whether an organization has applied for recognition as a charitable organization and, if so, whether the IRS proposes to deny such recognition, or the organization has withdrawn its application; whether an organization’s charitable status has terminated; whether the IRS proposes to assess any chapter 42 excise taxes (for example, the tax on excess benefit transactions under section 4958); and whether the IRS has revoked an organization’s exemption, or proposes to revoke the recognition of its exemption.

Without a written request, but still subject to the safeguard requirements of section 6103(p)(4), the IRS has the authority under section 6104(c)(2)(D) to disclose returns and return information of charitable organizations and applicants if it determines that such information may constitute evidence of noncompliance with the laws under the ASO’s jurisdiction. The IRS may make these disclosures on its own initiative. These proposed regulations clarify that the IRS’ authority under section 6104(c)(2)(D) is in addition to its

disclosure authority under other provisions of section 6104(c)(1) and (c)(2), to the effect that discretionary disclosures may be made before the IRS issues a proposed determination or takes other action. The proposed regulations also make clear that the determination required by the statute concerns possible noncompliance with state laws regulating charitable organizations and not just any state law violation.

The disclosure provisions of section 6104(c), as amended by the PPA, offer significant advantages to states in their enforcement efforts. The ability of the IRS to disclose returns and return information early in its own administrative and enforcement processes, as well as the IRS’ authority under section 6104(c)(2)(D) to disclose information on its own initiative, greatly enhance the administration and enforcement of state laws, both tax and nontax, governing charitable activities, funds, and assets.

These proposed regulations define certain key terms for purposes of section 6104(c), including “appropriate state officer”, “return”, “return information”, and “taxable person.”

#### **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) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to the proposed regulations; therefore, a regulatory flexibility analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the proposed regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comments regarding their impact on small businesses.

#### **Comments and Requests for a Public Hearing**

Before these proposed regulations are adopted as final, any written (signed original and 8 copies) or electronic comments timely submitted to the IRS will be considered. The IRS and Treasury Department request comments on the clarity of these proposed regulations and how they might

be made easier to understand. Of particular interest are comments on whether paragraph (e) of these proposed regulations, describing the organizations to which disclosure applies, lists all the organizations with respect to which ASOs might legitimately need information. All comments will be available for public inspection and copying. A public hearing will be scheduled if requested in writing by any person who 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 these regulations is Casey Lothamer of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities), though other persons in the IRS and Treasury Department participated in their development.

\* \* \* \* \*

### 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 in part as follows:

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

Section 301.6104(c)–1 also issued under 26 U.S.C. 6104(c). \* \* \*

Par. 2. Section 301.6104(c)–1 is revised to read as follows:

#### §301.6104(c)–1 Disclosure of certain information to state officials.

(a) *In general.*—(1) Subject to the disclosure, recordkeeping, and safeguard provisions of section 6103, and upon written request by an appropriate state officer (ASO, as defined in paragraph (i)(1) of this section), the IRS may disclose or make available to the ASO the returns and return information described in paragraph (c) of this section with respect to—

(i) any organization described or formerly described in section 501(c)(3) and exempt or formerly exempt from taxation

under section 501(a) (a charitable organization); or

(ii) any organization that has applied for recognition as an organization described in section 501(c)(3) (an applicant).

Such information shall be disclosed or made available only as necessary to administer state laws regulating charitable organizations.

(2) Subject to the disclosure, recordkeeping, and safeguard provisions of section 6103, and upon written request by an ASO, the IRS may disclose or make available to the ASO returns and return information regarding any organization described or formerly described in section 501(c) other than section 501(c)(1) or (c)(3). Such information shall be disclosed or made available only as necessary to administer state laws regulating the solicitation or administration of the charitable funds or charitable assets of these organizations.

(b) *Disclosure agreement.* The IRS may require an ASO to execute a disclosure agreement or similar document specifying the procedures, terms, and conditions for the disclosure or inspection of information under section 6104(c), including compliance with the safeguards prescribed by section 6103(p)(4), as well as specifying the information to be disclosed. Such an agreement or similar document shall constitute the request for disclosure required by section 6104(c)(1)(C), as well as the written request required by section 6104(c)(2)(C)(i) and (c)(3). For security guidelines and other safeguards for protecting returns and return information, see guidance published by the IRS. See, for example, IRS Publication 1075, “*Tax Information Security Guidelines for Federal, State and Local Agencies.*”

(c) *Disclosures regarding charitable organizations and applicants.*—(1) With respect to any organization described in paragraph (d) of this section, the IRS may disclose or make available for inspection under section 6104(c)(1) and (c)(2) to an ASO the following returns and return information with respect to a charitable organization or applicant:

(i) A refusal or proposed refusal to recognize an organization’s exemption as a charitable organization (a final or proposed denial letter).

(ii) Information regarding a grant of exemption following a proposed denial.

(iii) A revocation of exemption as a charitable organization (a final revocation letter), including a notice of termination or dissolution.

(iv) A proposed revocation of recognition of exemption as a charitable organization (a proposed revocation letter).

(v) Information regarding the final disposition of a proposed revocation of recognition other than by final revocation.

(vi) A notice of deficiency or proposed notice of deficiency of tax imposed under section 507 or chapter 41 or 42 on the organization or a taxable person (as described in paragraph (i)(4) of this section).

(vii) Information regarding the final disposition of a proposed notice of deficiency of tax imposed under section 507 or chapter 41 or 42 on the organization other than by issuance of a final notice of deficiency.

(viii) The names, addresses, and taxpayer identification numbers of applicants for charitable status, provided on an applicant-by-applicant basis or by periodic lists of applicants. Under this provision the IRS may respond to inquiries from an ASO as to whether a particular organization has applied for recognition of exemption as a charitable organization.

(ix) Information regarding the final disposition of an application for recognition of exemption where no proposed denial letter is issued, including whether the application was withdrawn or whether the applicant failed to establish its exemption.

(x) Returns and other return information relating to the return information described in this paragraph (c)(1), except for returns and return information relating to proposed notices of deficiency described in paragraph (c)(1)(vi) of this section with respect to taxable persons.

(2) The IRS may disclose or make available for inspection returns and return information of a charitable organization or applicant, if the IRS determines that such information might constitute evidence of noncompliance with the laws under the jurisdiction of the ASO regulating charitable organizations and applicants. Such information may be disclosed on the IRS’ own initiative. Disclosures under this paragraph (c)(2) may be made before the IRS issues a proposed determination (denial of recognition, revocation, or notice of deficiency) or any other action by the IRS described in this section.

(d) *Organizations to which disclosure applies.* Regarding the information described in paragraphs (a)(2) and (c) of this section, the IRS will disclose or make available for inspection to an ASO such information only with respect to—

(1) an organization formed under the laws of the ASO's state;

(2) an organization, the principal office of which is located in the ASO's state;

(3) an organization that, as determined by the IRS, is or might be subject to the laws of the ASO's state regulating charitable organizations or the solicitation or administration of charitable funds or charitable assets; or

(4) a private foundation required by §1.6033-2(a)(iv) to list the ASO's state on any of the foundation's returns filed for its last five years.

(e) *Disclosure limitations.*—Notwithstanding any other provision of this section, the IRS will not disclose or make available for inspection under section 6104(c) any information, the disclosure of which it determines would seriously impair federal tax administration, including, but not limited to—

(1) identification of a confidential informant or interference with a civil or criminal tax investigation; and

(2) information obtained pursuant to a tax convention between the United States and a foreign government (see section 6105(c)(2) for the definition of *tax convention*).

(f) *Disclosure recipients.*—(1) *In general.* The IRS may disclose returns and return information under section 6104(c) to, or make it available for inspection by—

(i) an ASO, as defined in paragraph (i)(1) of this section, or

(ii) a person other than an ASO, but only if that person is a state officer or employee designated by the ASO to receive information under section 6104(c) on behalf of the ASO, as specified in paragraph (f)(2) of this section.

(2) *Designation by ASO.* An ASO may designate state officers or employees to receive information under section 6104(c) on the ASO's behalf by specifying in writing each person's name and job title, and the name and address of the person's office. The ASO must promptly notify the IRS in writing of any additions, deletions, or other changes to the list of designated persons.

(g) *Rediscovery.* An ASO to whom a return or return information has been disclosed may thereafter disclose such information—

(1) to another state officer or employee only as necessary to administer state laws governing charitable organizations or state laws regulating the solicitation or administration of charitable funds or charitable assets of noncharitable exempt organizations; or

(2) except as provided in paragraph (h)(1) of this section, to another state officer or employee who is personally and directly preparing for a civil proceeding before a state administrative body or court in a matter involving the enforcement of state laws regulating organizations with respect to which information can be disclosed under this section, solely for use in such a proceeding, but only if—

(i) the organization or a taxable person is a party to the proceeding, or the proceeding arose out of, or in connection with, determining the civil liability of the organization or a taxable person, or collecting such civil liability, under state laws governing organizations with respect to which information can be disclosed under this section;

(ii) the treatment of an item reflected on such a return is directly related to the resolution of an issue in the proceeding; or

(iii) the return or return information directly relates to a transactional relationship between the organization or a taxable person and a person who is a party to the proceeding that directly affects the resolution of an issue in the proceeding.

(h) *Rediscovery limitations.*—(1) Before disclosing in a state administrative or judicial proceeding, or to any party as provided by paragraph (g)(2) of this section, any return or return information received under section 6104(c), the ASO shall notify the IRS of the intention to make such a disclosure. No state officer or employee shall make such a disclosure except in accordance with any conditions the IRS might impose in response to the ASO's notice of intent. No such disclosure shall be made if the IRS determines that the disclosure would seriously impair federal tax administration.

(2) An ASO to whom a return or return information has been disclosed shall not disclose that information to an agent or contractor.

(i) *Definitions.*—(1) *Appropriate state officer* means—

(i) the state attorney general;

(ii) the state tax officer;

(iii) with respect to a charitable organization or applicant, any state officer other than the attorney general or tax officer charged with overseeing charitable organizations; and

(iv) with respect to a section 501(c) organization that is not described in section 501(c)(1) or (c)(3), the head of the agency designated by the state attorney general as having primary responsibility for overseeing the solicitation of funds for charitable purposes.

A state officer described in paragraph (i)(1)(iii) or (i)(1)(iv) of this section must show that the officer is an ASO by presenting a letter from the state attorney general describing the functions and authority of the officer under state law, with sufficient facts for the IRS to determine that the officer is an ASO.

(2) *Return* has the same meaning as in section 6103(b)(1).

(3) *Return information* has the same meaning as in section 6103(b)(2).

(4) *Taxable person* means any person who is liable or potentially liable for excise taxes under chapter 41 or 42. Such a person includes—

(i) a disqualified person described in section 4946(a)(1), 4951(e)(4), or 4958(f);

(ii) a foundation manager described in section 4946(b);

(iii) an organization manager described in section 4955(f)(2) or 4958(f)(2);

(iv) a person described in section 4958(c)(3)(B);

(v) an entity manager described in section 4965(d); and

(vi) a fund manager described in section 4966(d)(3).

(j) *Failure to comply.* Upon a determination that an ASO has failed to comply with the requirements of section 6103(p)(4), the IRS may take the actions it deems necessary to ensure compliance, including the refusal to disclose any further returns or return information to the ASO until the IRS determines that the requirements have been met. For procedures for the administrative review of a determination that an authorized recipient has failed to safeguard returns or return information, see §301.6103(p)(7)–1.

(k) *Effective/applicability date.* The rules of this section apply to taxable years beginning on or after the date of publication in the **Federal Register** of the

Treasury decision adopting these rules as final regulations.

(Filed by the Office of the Federal Register on March 14, 2011, 8:45 a.m., and published in the issue of the Federal Register for March 15, 2011, 76 F.R. 13932)

Steven T. Miller,  
*Deputy Commissioner for  
Services and Enforcement.*