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**From:** [REDACTED]  
**Sent:** Wednesday, November 13, 2013 10:41:02 PM  
**To:** [REDACTED]  
**Cc:**  
**Bcc:**  
**Subject:** RE: Disclosure Question

Hi

I concur with your analysis and conclusions. I don't see any concern about the (h)(1) disclosures. May I suggest that the manager's concern looks like a good opportunity to also discuss the disclosure provisions of (h)(4) in the exam context and confirm that the local RA knows how those apply to disclosure of third-party return information.

Hope that helps. If there are further questions, feel free to contact me.

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**From:**  
**Sent:** Wednesday, November 13, 2013 9:23 PM  
**To:**  
**Subject:** Disclosure Question

I believe the local RA should be able to communicate with the RA in [REDACTED] about their respective audits pursuant to I.R.C. section 6103(h)(1) because the local RA has a "need to know" the information. See Disclosure Handbook, Chapter 3, pp. 3-1 to 3-2; see also CCDM 33.1.3.3(4)(e) (addresses issuance of legal advice but indicates that Service employees who are working on a case that is "transactionally related" satisfy the "need to know" standard). The Parent Affiliate took deductions based on insurance premiums paid to [REDACTED] and [REDACTED] reported income based on the premium payments; i.e. there is a transactional relationship. In order for the IRS to treat them consistently, I believe the RA's must communicate about their respective audits.