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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[REG-133353-16]

RIN 1545-BN63

Disclosures of Return Information Reflected on Returns to Officers and Employees of the Department of Commerce for Certain Statistical Purposes and Related Activities

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulation.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register** the IRS is issuing temporary regulations authorizing the disclosure of specified return information to the Bureau of the Census (Bureau) for purposes of structuring the censuses and national economic accounts and conducting related statistical activities authorized by title 13. The temporary regulations are made pursuant to a request from the Secretary of Commerce. The temporary regulations also provide clarifying language for an item of return information and remove duplicative paragraphs contained in the existing final regulations. These regulations require no action by taxpayers and have no effect on their tax liabilities. Thus, no taxpayers are likely to be affected by the disclosures authorized by this guidance. The text of the temporary regulations published in the Rules and Regulations section of the **Federal Register** serves as the text of these proposed regulations.

DATES: Written and electronic comments and requests for a public hearing must be received by **[INSERT 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Applicability Date: For dates of applicability, see §301.6103(j)(1)-1(e).

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG-133533-16), room 5203, Internal Revenue Service, Post Office 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-133533-16), Courier's Desk, Internal Revenue Service, 1111 Constitutional Avenue, N.W., Washington, DC 20224, or sent electronically, via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-133533-16).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, William Rowe, (202) 317-6834; concerning submissions of comments, Regina Johnson, (202) 317-5177 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

This document contains proposed amendments to 26 CFR part 301 relating to section 6103(j)(1)(A) of the Internal Revenue Code (Code). Section 6103(j)(1)(A) authorizes the Secretary of the Treasury to furnish, upon written request by the Secretary of Commerce, such returns or return information as the Secretary of Treasury may prescribe by regulation to officers and employees of the Bureau for the purpose of, but only to the extent necessary in, the structuring of 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. This document contains proposed

regulations authorizing the disclosure of additional items of return information requested by the Secretary of Commerce. These proposed regulations also provide clarifying language for an item of return information and remove duplicative paragraphs contained in the existing regulations. Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend 26 CFR part 301. The text of those temporary regulations serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations.

Special Analyses

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. Therefore, a regulatory assessment is not required. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities because the regulations do not impose a collection of information on small entities. Accordingly, a regulatory flexibility analysis is not required under the Regulatory Flexibility Act (5 U.S.C. chapter 6). Pursuant to section 7805(f) of the Internal Revenue Code, this regulation has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses.

Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the “Addresses” heading. The IRS and Treasury

Department request comments on all aspects of the proposed regulations. All comments that are submitted will be available for public inspection and copying at www.regulations.gov or upon request. A public hearing may be scheduled if requested in writing by any person that timely submits written or electronic 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 proposed regulations is William Rowe, Office of the Associate Chief Counsel (Procedure & Administration).

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 amended as follows:

PART 301---PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 continues to read in part as follows:

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

Par. 2. Section 301.6103(j)(1)-1 is amended by adding paragraphs (b)(2)(iii)(K) through (M), (b)(3)(xxxi) through (xxxv), and (b)(6)(i)(C) through (E), and revising paragraphs (b)(2)(iii)(I), (b)(3)(v), (b)(3)(xxv) through (xxx), and (e) to read as follows:

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

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(b) * * *

(2) * * *

(iii) * * *

(l) [The text of proposed amendments to §301.6103(j)(1)-1(b)(2)(iii)(l) is the same as the text of §301.6103(j)(1)-1T(b)(2)(iii)(l) published elsewhere in this issue of the **Federal Register**].

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(K) through (M) [The text of proposed amendments to §301.6103(j)(1)-1(b)(2)(iii)(K) through (M) is the same as the text of §301.6103(j)(1)-1T(b)(2)(iii)(K) through (M) published elsewhere in this issue of the **Federal Register**].

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(3) * * *

(v) [The text of proposed amendments to §301.6103(j)(1)-1(b)(3)(v) is the same as the text of §301.6103(j)(1)-1T(b)(3)(v) published elsewhere in this issue of the **Federal Register**].

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(xxv) through (xxxv) [The text of proposed amendments to §301.6103(j)(1)-1(b)(3)(xxv) through (xxxv) is the same as the text of §301.6103(j)(1)-1T(b)(3)(xxv) through (xxxv) published elsewhere in this issue of the **Federal Register**].

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(6) * * *

(i) * * *

(C) through (E) [The text of proposed amendments to §301.6103(j)(1)-1T(b)(6)(i)(C) through (E) is the same as the text of §301.6103(j)(1)-1T(b)(6)(i)(C) through (E) published elsewhere in this issue of the **Federal Register**].

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(e) Applicability date. Paragraphs (b)(2)(iii)(I), (b)(2)(iii)(K) through (M), (b)(3)(v), (b)(3)(xxv), (b)(3)(xxv) through (xxxv), and (b)(6)(i)(C) through (E) of this section apply to disclosure of the Bureau of the Census made on or after **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. For rules that apply to disclosure to the Bureau of the Census before that date, see 26 CFR 301.6103(j)(1)-1 (revised as of April 1, 2016).

John Dalrymple,

Deputy Commissioner for Services and Enforcement.

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