

■ 5. Amending paragraph (k), *Example 3(ii)*, second sentence, by removing the language “§ 35a.3406–1(c)(1) of this paragraph” and adding “§ 31.3406(d)–5(d)(2)(i) of this chapter” in its place; and by removing the language “(f)(2)” and adding “(f)(3)” in its place.

■ 6. Amending paragraph (k), *Example 3(ii)*, fifth sentence, by removing the language “§ 301.6721–1T” and adding “§ 301.6721–1” in its place.

■ 7. Amending paragraph (k), *Example 3(iii)*, fifth sentence, by removing the language “§ 35a.3406–1(c)(1)” and adding “§ 31.3406(d)–5(d)(2)(i)” in its place.

■ 8. Amending paragraph (k), *Example 3(iii)*, last sentence, by removing the language “§ 301.6721–1T” and adding “§ 301.6721–1” in its place.

■ 9. Amending paragraph (k), *Example 5*, final sentence, by removing the language “§ 301.6721–1T” and adding “§ 301.6721–1” in its place.

■ 10. Amending paragraph (k), *Example 6(ii)*, sixth sentence, by removing the language “(f)(3)” and adding the language “(f)(2)” in its place.

■ 11. Amending paragraph (k), *Example 7(ii)*, fourth sentence, by removing the language “(f)(2)” and adding “(f)(3)” in its place; and by removing the language “§ 35a.3406–1(c)(1)” and adding “§ 31.3406(d)–5(g)(1)(ii)” in its place.

■ 12. Amending paragraph (k), *Example 7(ii)*, fifth sentence, by removing the language “§ 35a.3406–1(c)(1)” and adding “§ 31.3406(d)–5(g)(1)(ii)” in its place.

The revisions read as follows:

§ 301.6724–1 Reasonable cause.

* * * * *

(f) * * *

(2) *Manner of making annual solicitation if notified pursuant to section 6721.* A filer that has been notified of an incorrect TIN by a penalty notice or other notification pursuant to section 6721 may satisfy the solicitation requirement of this paragraph (f) either by mail, in the manner set forth in paragraph (e)(2)(i) of this section; by telephone, in the manner set forth in paragraph (e)(2)(ii) of this section; or by requesting the TIN in person.

(3) *Coordination with solicitations under section 3406(a)(1)(b).* (i) A filer that has been notified of an incorrect TIN pursuant to section 3406(a)(1)(B) (except filers to which § 31.3406(d)–5(b)(4)(i)(A) of this chapter applies) will satisfy the solicitation requirement of this paragraph (f) only if it makes a solicitation in the manner and within the time period required under § 31.3406(d)–5(d)(2)(i) or (g)(1)(ii) of this chapter, whichever applies.

(ii) A filer that has been notified of an incorrect TIN by a notice pursuant to section 6721 (except filers to which

§ 31.3406(d)–5(b)(4)(i)(A) of this chapter applies) is not required to make the annual solicitation of this paragraph (f) if—

(A) The filer has received an effective notice pursuant to section 3406(a)(1)(B) with respect to the same payee, either during the same calendar year or for information returns filed for the same year; and

(B) The filer makes a solicitation in the manner and within the time period required under § 31.3406(d)–5(d)(2)(i) or (g)(1)(ii) of this chapter, whichever applies, before the filer is required to make the annual solicitation of this paragraph (f).

(iii) A filer that has been notified of an incorrect TIN by a notice pursuant to section 6721 with respect to a fiduciary or nominee account to which § 31.3406(d)–5(b)(4)(i)(A) of this chapter applies is required to make the annual solicitation of this paragraph (f).

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David A. Mader,

Assistant Deputy Commissioner of Internal Revenue.

Approved: April 13, 2003.

Pamela F. Olson,

Assistant Secretary of the Treasury (Tax Policy).

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 301 and 602

[TD 9054]

RIN 1545–AX85

Disclosure of Returns and Return Information to Designee of Taxpayer

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulation and removal of temporary regulation.

SUMMARY: This final regulation relates to the disclosure of returns and return information to a designee of the taxpayer. The regulation provides guidance to IRS employees responsible for disclosing returns and return information and to taxpayers who wish to designate a person or persons to whom returns and return information may be disclosed.

DATES: Effective Date: This regulation is effective April 29, 2003.

Applicability Date: For dates of applicability, see § 301.6103(c)–1(f).

FOR FURTHER INFORMATION CONTACT: Joseph Conley, (202) 622–4580 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information contained in this final regulation have been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545–1816.

The collections of information relating to requests for or consents to disclosure of returns and return information are in § 301.6103(c)–1(b), (c) and (d). Information provided in a request or consent under paragraph (b) is required by the IRS to identify the return or return information described in the request or consent; to search for and, where found, compile such return or return information; and to identify the person to whom any such return or return information is to be provided. Information provided in a request under paragraph (c) is required by the IRS to determine the nature and extent of the information or assistance requested by the taxpayer; to determine any return or return information to be disclosed to a third party in order to comply with the taxpayer's request; and to search for and, where found, to compile any such return or return information.

Information provided in a request under paragraph (c)(2) is also required by the IRS to confirm the identity of the taxpayer and the designee. Information provided in a consent under paragraph (d)(1) is required by the IRS to make certain disclosures to an electronic return transmitter or other third party in connection with the taxpayer's electronic filing of returns or other documents or information, such as disclosures to a transmitter of the IRS's receipt of a taxpayer's return and its acceptance or rejection by the IRS. The collections of information in this regulation are not mandatory, but are required if the IRS is to make disclosures to designees under the regulation. The likely respondents are individuals and households; farms, businesses, and other for-profit institutions; nonprofit institutions; and small businesses and organizations.

Comments on the collections of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports