

an authorized disclosure) or paragraph (c) (relating to disclosures to designees to comply with a taxpayer's request for information or assistance). Accordingly, the last sentence in paragraph (d)(1) of the proposed regulation states that the requirements of paragraphs (b) and (c) do not apply to a consent under paragraph (d)(1). The final regulation deletes such sentence and adds a similar sentence at the beginning of paragraph (d), stating that the requirements of paragraphs (b) and (c) do not apply under paragraph (d). This modification is intended as a clarification rather than a change in the effect of the regulation.

Paragraph (e)(1) of the proposed regulation defines the phrase "separate written document." (To be valid under paragraph (b), a request for or consent to disclosure must be in the form of a separate written document pertaining solely to the authorized disclosure.) Under paragraph (e)(1)(A), one meaning of the phrase "separate written document" is the text appearing on a sheet of 8½-inch by 11-inch or larger paper. Similarly, under paragraph (e)(1)(B), another meaning of the phrase "separate written document" is the text appearing on a single computer screen containing all the elements described in paragraph (b)(1), which can be signed and dated by the taxpayer, and which can be reproduced if necessary. In the final regulation, paragraphs (e)(1)(A) and (e)(1)(B) have been amended to provide that the text at issue in such paragraphs may appear, respectively, on one or more sheets of 8½-inch by 11-inch or larger paper or on one or more computer screens. This amendment will provide taxpayers and their representatives with additional flexibility in drafting written and electronic consents while continuing to require that language authorizing disclosures of tax information be kept separate and distinct from language regarding other matters.

Paragraph (e)(3) of the proposed regulation provides rules regarding permissible designees. Paragraph (e)(3) has been amended to include an additional sentence stating that when a designee is an individual, this regulation does not authorize disclosures to other individuals associated with such individual, such as employees of such individual or members of such individual's staff. This modification is intended as a clarification rather than a change in the effect of the regulation.

### Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in

Executive Order 12866. Therefore, a regulatory assessment is not required. This final regulation provides taxpayers with enhanced procedures to resolve problems with the IRS, and it clarifies the requirements for a valid request for or consent to the disclosure of returns or return information. Therefore, notice and public procedure are not required pursuant to 5 U.S.C. 553(b)(B). Moreover, a delayed effective date would be contrary to the public interest and is not required under 5 U.S.C. 553(d). Pursuant to section 7805(f) of the Code, the temporary regulation was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

It is hereby certified that the collection of information in this regulation will not have a significant economic impact of a substantial number of small entities. This certification is based upon the fact that any burden on taxpayers is minimal, since the regulation only applies to taxpayers which request or consent to the disclosure of returns or return information, and since the information collected is only that necessary to carry out the disclosure of returns or return information requested or consented to by the taxpayer (such as the name and taxpayer identification number of the taxpayer, the return or return information to be disclosed, and the identity of the designee). Moreover, it is based upon the fact that the regulation reduces the burden imposed upon taxpayers by the prior regulation by clarifying the requirements for and conditions of a request for or consent to disclosure and by permitting certain disclosures pursuant to nonwritten requests or consents. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required.

### Drafting Information

The principal author of this regulation is Joseph Conley, Office of the Associate Chief Counsel, Procedure and Administration (Disclosure and Privacy Law Division).

### List of Subjects

#### 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

#### 26 CFR Part 602

Reporting and recordkeeping requirements.

### Adoption of Amendments to the Regulations

■ Accordingly, 26 CFR part 301 and 26 CFR part 602 are amended as follows:

### PART 301—PROCEDURE AND ADMINISTRATION

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

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

■ 2. Section 301.6103(c)-1 is added to read as follows:

#### § 301.6103(c)-1 Disclosure of returns and return information to designee of taxpayer.

(a) *Overview.* Subject to such requirements and conditions as the Secretary may prescribe by regulation, section 6103(c) of the Internal Revenue Code authorizes the Internal Revenue Service to disclose a taxpayer's return or return information to such person or persons as the taxpayer may designate in a request for or consent to such disclosure, or to any other person at the taxpayer's request to the extent necessary to comply with the taxpayer's request to such other person for information or assistance. This regulation contains the requirements that must be met before, and the conditions under which, the Internal Revenue Service may make such disclosures. Paragraph (b) of this section provides the requirements that are generally applicable to designate a third party to receive the taxpayer's returns and return information. Paragraph (c) of this section provides requirements under which the Internal Revenue Service may disclose information in connection with a taxpayer's written or nonwritten request for a third party to provide information or assistance with regard to a tax matter, for example, a Congressional inquiry. Paragraph (d) of this section provides the parameters for disclosure consents connected with electronic return filing programs and combined Federal-State filing. Finally, paragraph (e) of this section provides definitions and general rules related to requests for or consents to disclosure.

(b) *Disclosure of returns and return information to person or persons designated in a written request or consent—*(1) *General requirements.* Pursuant to section 6103(c) of the Internal Revenue Code, the Internal Revenue Service (or an agent or contractor of the Internal Revenue Service) may disclose a taxpayer's return or return information (in written or nonwritten form) to such person or persons as the taxpayer may designate in a request for or consent to such disclosure. A request for or consent to