

staggered effective date for the remaining HCT/Ps would be contrary to the public interest in that certain products would become unregulated unless and until the GTP and donor suitability rules are finalized. For HCT/Ps subject to the staggered effective date, requiring registration without adequate enforcement provisions, such as those proposed in the GTP rule, would be premature and possibly ineffective. Establishments that manufacture HCT/Ps covered by the staggered effective date have been registering voluntarily, and FDA is willing to continue accepting such voluntary registrations.

FDA, for good cause based on the reasons stated previously, finds that notice and public procedure to delay the effective date are unnecessary and contrary to the public interest (5 U.S.C. 553(b)(3)(B)). Therefore, we are delaying the effective date of §§ 207.20(f), 807.20(d), and 1271.3(d)(2) for 1 year. The new effective date is January 21, 2004.

Dated: January 8, 2003.

Margaret M. Dotzel,

Assistant Commissioner for Policy.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[TD 9037]

RIN 1545-AY52

Disclosure of Return Information to the Bureau of the Census

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains regulations relating to the list of items of tax information disclosed to the Bureau of the Census. These regulations reflect an agreement between the IRS and the Bureau of the Census as to items of tax information needed to more effectively meet the Bureau of the Census' program objectives as authorized under chapter 5 of title 13, United States Code (U.S.C.), including the Longitudinal Employer-Household Dynamics (LEHD) project and the Survey of Income and Program Participation (SIPP) project.

DATES: *Effective Date:* These regulations are effective January 21, 2003.

FOR FURTHER INFORMATION CONTACT: Christine Irwin, (202) 622-4570 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to 26 CFR part 301 under section 6103(j) of the Internal Revenue Code (Code). On February 13, 2001, the **Federal Register** published temporary regulations (TD 8943) regarding tax information disclosed to the Bureau of the Census for use in the LEHD and SIPP projects (66 FR 9957), and a notice of proposed rulemaking (REG-121109-00) cross-referencing the temporary regulations (66 FR 9991). A correction to the notice of proposed rulemaking by cross-reference to the temporary regulations was published on March 23, 2001 (66 FR 16161). Three comments on these temporary regulations were received and considered, but no public hearing was requested or held. After consideration of the comments, the Treasury decision adopts the regulations as proposed with certain changes and removes the corresponding temporary regulations.

The changes include corrections to punctuation and clarification of certain terms used in the regulations, e.g., references to Form SS-4 as a "form" as opposed to a tax "return." Additional changes include adopting the generic term "location code" to refer to locations of IRS offices from which tax information is retrieved. Changes also include using the terms "area/district office" and "campus/service" center as examples of location codes. The tax information disclosed to the Bureau of the Census is retrieved from older files, as well as current files. The older information is retrieved from files which contain the terms "district offices" and "service centers" as the location codes, while the more recent information is retrieved from files that use the terms "area offices" and "campuses" (in addition to other location codes). Although the terms "district offices" and "service centers" are no longer used by the IRS, having been replaced by the terms "area offices" and "campuses" respectively, as a result of the IRS reorganization mandated by section 1001 of the IRS Restructuring and Reform Act of 1998, the regulations' reference to "location code" will encompass all of these terms to ensure that tax information may be retrieved from both older and more current files.

Also, the final regulations narrow the tax information to be disclosed to the Bureau of the Census under § 301.6103(j)(1)-1(b)(3)(xxviii)

pertaining to "Gross Distributions from Form 1099-R." Although the temporary regulations authorized the disclosure of all gross distributions from Form 1099-R under § 301.6103(j)(1)-1T(b)(3)(xxviii), the Bureau of the Census needs only tax information related to distributions from employer-sponsored and individual retirement plans, according to a letter sent to the IRS from the Secretary of Commerce dated October 4, 2002. Therefore, the final regulations authorize the disclosure only of distributions from employer-sponsored and individual retirement plans from the Forms 1099-R under § 301.6103(j)(1)-1(b)(3)(xxviii).

The final regulations also clarify the phrase "return information reflected on returns"—language that was incorporated into § 301.6103(j)(1)-1 when the regulations were first promulgated in 1980 (*see* 45 FR 65561). The phrase "return information reflected on returns" is used in the regulations to describe the type of return information that may be disclosed to agencies under sections 6103(j)(1)(A) and (B) of the Code. (The phrase "return information reflected on returns" encompasses the phrases used in the statute under section 6103(j)(1)(A) and (B) of the Code that refer to "return information reflected thereon" and "return information reflected on returns of corporations.") The legislative history of section 6103(j)(1)(A) of the Code, authorizing the disclosure of "returns" and "return information reflected thereon" to officers and employees of the Bureau of the Census, does not specifically define the phrase "return information reflected thereon." Nor does the legislative history of section 6103(j)(1)(B) of the Code, authorizing the disclosure of "return information reflected on returns of corporations" to officers and employees of the Bureau of Economic Analysis, define the phrase "return information reflected on returns of corporations." These final regulations clarify the concept of "return information reflected on returns." Although the legislative history does not explicitly define the concept of "return information reflected on returns," it does use the term "information from tax returns" and expresses Congress' intent that only "limited information" for statistical purposes should be provided to the Bureau of the Census and the Bureau of Economic Analysis. The legislative history does describe the type of information that the IRS provided to agencies when section 6103(j)(1) and (2) of the Code was enacted in the Tax Reform Act of 1976. This information included IRS transcript cards that