

Department  
of the  
Treasury

Internal  
Revenue  
Service

Office of  
Chief Counsel

**Notice**

N(30)(15)580-1

March 3, 1998

Subject: Congressional Review of Rules Cancellation Date: August 30, 1998

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) added a new chapter 8 to title 5, United States Code. This chapter provides that no rule can become effective until the issuing agency submits a report containing certain information to the House of Representatives, the Senate, and the Comptroller General of the GAO. These congressional review provisions became effective March 29, 1996.

This notice describes the report that must be submitted to Congress and GAO as well as the procedures that will apply in submitting the report. This notice supersedes existing interim guidance for preparing and submitting reports. The text of this notice will be incorporated into a new section 580 of the regulations handbook.

580 The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA)

581 RULES COVERED

1. Rule. SBREFA defines "rule" as having the same meaning as rule for purposes of 5 U.S.C. § 551, with certain exceptions. Section 551(4) defines rule as, "the whole or part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy or describing the organization, procedure, or practice requirements of an agency...". SBREFA provides that the following items (to the extent otherwise described in § 551(4)) are not rules for purposes of the congressional review provisions: (1) any rule of particular applicability, (2) any rule relating to agency management or personnel, and (3) any rule of agency organization, procedure, or practice that does

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not substantially affect the rights or obligations of non-agency parties. 5 U.S.C. § 804(3).

2. Guidance covered. The following types of guidance will be treated as rules (as defined in 5 U.S.C. § 804(3)) that will be submitted to GAO and Congress:
  - a. final regulations
  - b. temporary regulations
  - c. revenue rulings
  - d. revenue procedures
  - e. actions on decisions
  - f. coordinated issue papers
  - g. market segment specialization papers

Certain ministerial revenue rulings and revenue procedures may fall outside the scope of the definition of rule for purposes of 5 U.S.C. § 804(3). However, as a matter of administrative convenience, all revenue rulings and revenue procedures will be treated as rules that must be submitted to GAO and Congress.

3. Guidance Not Covered. The following types of guidance will not be treated as rules that must be submitted to GAO and Congress:
  - a. proposed regulations
  - b. IRS forms and instructions
  - c. IRS publications
  - d. news releases
  - e. information letters
  - f. technical information releases
  - g. market segment understandings
  - h. private letter rulings
  - i. determination letters/notification letters/  
advisory letters
  - j. technical advice memoranda
  - k. closing agreements
  - l. advance pricing agreements
  - m. field service advice
  - n. announcements that set forth organizations that are now classified as private foundations, or that no longer qualify as organizations to which contributions are deductible under § 170 of the Code
  - o. announcements that set forth persons who are no longer authorized to practice before the IRS
4. Other Guidance. Guidance that is not in one of the forms described above should be analyzed on a case-by-case basis to determine whether it constitutes a rule within the meaning of 5 U.S.C. § 804. For example, notices and announcements will be evaluated on a case-by-case basis. Thus, notices or announcements relating to error corrections, personnel matters,

or proposed rules generally will not be considered rules. In the case of notices and announcements, the regulations unit should be notified if it is determined that the notice or announcement is not a rule. See section 586. Also, it is anticipated that major portions of the Internal Revenue Manual will not be considered rules because they relate to agency management or personnel.

582 FORM OF REPORT

1. The report submitted to GAO and Congress will be comprised of two letters:
  - a. a letter to GAO and Congress, and
  - b. a letter to GAO only.
2. Model forms for letters for GAO and Congress transmitting regulations, revenue rulings, and revenue procedures are attached as Exhibits 1-6. Letters for other types of rules should follow the form of the letters for revenue procedures, with appropriate modifications.
3. The model forms will be updated from time to time as necessary, e.g., when names or addresses of the addressees change. Copies of the forms can be obtained from the regulations unit or the Associate or Assistant Chief Counsel offices.

583 CONTENT OF LETTERS THAT CONSTITUTE THE REPORT

1. The letter to GAO and Congress must contain the following information:
  - a. a copy of the rule;
  - b. a concise general statement relating to the rule, including whether it is a major rule; and
  - c. the proposed effective date of the rule.
2. The letter to GAO (but not to Congress) must contain the following information:
  - a. a complete copy of the cost benefit analysis of the rule, if any;
  - b. the agency's actions relevant to 5 U.S.C. §§ 603, 604, 605, 607, and 609 (relating to Regulatory Flexibility Act requirements);

- c. the agency's actions relevant to §§ 202, 203, 204, and 205 of the Unfunded Mandates Reform Act of 1995; and
  - d. any other relevant information or requirements under any other Act and any relevant Executive orders.
3. Each of the items of information described in 1.a. through 2.d. above is discussed below:
- a. Copy of the Rule. This is simply the relevant regulation or other rule.
  - b. Concise General Statement/Major Rule. The concise general statement should very briefly summarize the rule. The statement generally should be no more than 1-2 double-spaced pages in length. In the case of regulations, the plain language summary (which usually consists of 3-4 sentences) may be able to serve as the concise general statement for the regulation. The statement should have a heading (centered with initial caps) that describes the subject matter of the rule in non-technical terms. The report should state whether or not the rule is a "major rule." Major rule is defined in a manner similar, but not identical, to "significant regulatory action" in E.O. 12866. Compare 5 U.S.C. 804(2) and § 3(f) of E.O. 12866. Thus, a rule may constitute a major rule but not a significant regulatory action, or vice versa.
  - c. Effective Date. In the case of regulations, the effective date is the date provided in the "EFFECTIVE DATE" provision of the preamble of the Treasury Decision. This date is usually either the date of publication or the date of publication plus some period of time, e.g., 30 days. If the rule is a major rule (as defined in 5 U.S.C. § 804(2)), the effective date cannot be earlier than 60 days after the rule is delivered to GAO and Congress. See 5 U.S.C. § 801(a)(3). The reports generally should also identify the dates of applicability of the rule. Dates of applicability are the dates to which the rules apply after they become effective, e.g., a regulation effective on June 30, 1996 may "apply" to tax years beginning on or after January 1, 1996.
  - d. Cost Benefit Analysis. A formal cost-benefit analysis is required only for significant regulatory actions within the meaning of E.O. 12866. See §§ 6(a)(3)(B)(ii) and 6(a)(3)(C) of E.O. 12866. However, if a cost-benefit analysis is in fact prepared, it should be submitted to GAO regardless of whether the rule is a significant regulatory action or a major rule. An example of a cost-benefit analysis is the Treasury Department study, "The

Relationship between U.S. Research and Development and Foreign Income," that was undertaken in connection with the finalization of the § 1.861-8 regulations.

- e. Actions Relevant to the Regulatory Flexibility Act (RFA). This section should describe any actions that were taken in connection with the RFA. If either (i) a regulatory flexibility analysis is required, or (ii) it is certified under 5 U.S.C. § 605(b) that the rule will not have a significant impact on a substantial number of small entities, then the analysis or other relevant documents should be submitted to GAO. If the regulatory flexibility analysis or certification is set forth in the preamble of the regulation, the report can merely contain a cross-reference to the preamble. The RFA potentially applies only to regulations; less formal guidance, such as revenue rulings, are not subject to the RFA. See Cong. Record S3244-S3245 (March 29, 1996). The Reg Flex Checklist (which is prepared for all regulations) should be attached to the report.
- f. Actions Relevant to Unfunded Mandates Reform Act. This section should describe any actions that were taken in connection with the Unfunded Mandates Reform Act of 1995 (UMRA). The UMRA generally applies only to legislative rules. If the UMRA applies to the rule, then relevant documents should be submitted to GAO.
- g. Other Information. Other relevant information or requirements under any other Act and any relevant Executive orders should be submitted to GAO. This will include (i) in the case of a regulation, the 7-point memorandum (Notice of Planned Regulatory Action Pursuant to E.O. 12866) for the final regulation; (ii) the form OMB 83-I (Paperwork Reduction Act Submission) and supporting statement for the rule; and (iii) the Notice of Action received from OMB approving the form OMB 83-I submission. Pending further guidance from GAO or OMB, in most cases other materials in the file for the regulation or rule will not constitute "other relevant information or requirements."

#### 584 PREPARATION, CIRCULATION, AND REVIEW OF REPORT

- 1. Preparation. The principal author of the rule should draft the letters that constitute the report. Reports for rules that are not published or released by the Office of Chief Counsel will be prepared by the IRS function responsible for publication or release of the rule.
- 2. Circulation and Review. The letters (with attachments) should circulate with the signature package in the case of regulations,

or with the BIN or other circulation documents in the case of other rules. In the case of regulations, the reports will be circulated in draft form because certain information to be included in the reports (e.g., Treasury Decision number) will not be available at the time of circulation. All reviewers of the rule should also review the report.

3. Requirement for Publication. The federal register liaison will not send regulations to the Federal Register until he or she has received a completed report. Similarly, publications managers or other persons will not deliver any guidance for publication until they have received a completed report.
4. Review by Disclosure Litigation. Because of the confidentiality requirements of 26 U.S.C. § 6103, letters and attachments constituting the report to GAO and Congress should not contain return information, as that term is defined in 26 U.S.C. § 6103(b)(2). In addition, these documents should not contain any information whose disclosure would significantly impede or nullify IRS actions in carrying out a responsibility or function. If the originating attorney has a question concerning whether the report contains return information, or if it has been determined that the document contains information whose disclosure would significantly impede or nullify IRS actions in carrying out a responsibility or function, the originating attorney should submit the report to Disclosure Litigation for review prior to circulation of the signature package, BIN or other circulation document. Because these reports should seldom contain either of these types of information, it is expected that in most cases the reports will not need to be reviewed by Disclosure Litigation.

#### 585 DELIVERY OF THE REPORT TO GAO AND CONGRESS

1. Time for Delivery of Reports to GAO and Congress. In the case of regulations, the letters to GAO and Congress must be delivered on the date that the regulations are filed by the Federal Register. As soon as the federal register liaison learns the filing date, he/she will notify the principal author or contact person of such date. The principal author or contact person will be responsible for ensuring timely delivery to the regulations unit of the materials described in (3) below. For other rules (e.g., revenue rulings), the letters must be delivered to GAO and Congress on the earliest of the date that the rule is released to the tax services, published in the I.R.B., or otherwise made available to the public. The publications manager or other appropriate person will notify the principal author or contact person of the date of release or publication of the rule. The principal author or contact person will be responsible for ensuring timely delivery to the regulations unit of the materials described in (3) below.

2. Timing of Delivery to Regulations Unit. The regulations unit will make a single, daily delivery of letters to GAO and Congress. The materials described in (3) below must be delivered to the regulations unit no later than 1:00 p.m. of the day that the rule must be delivered to GAO and Congress. In the event that the materials cannot be delivered before 1:00 p.m. (emergencies only), please notify the Chief, Regulations Unit as far in advance as possible. In rare (i.e., emergency) cases, the regulations unit may be able to schedule later delivery times.
3. Materials to Send to the Regulations Unit. The following materials should be delivered to the regulations unit at the time described in (2) above:
  - a. one original and one copy (both with attachments, if any) of the letter that is addressed only to GAO;
  - b. one Acknowledgement of Receipt to be signed by GAO acknowledging its receipt of (a) the letter addressed only to GAO; and (b) the report (i.e., letter) addressed to both GAO and Congress;
  - c. three originals and one copy (each with attachments) of the report (i.e., letter) that is addressed to both GAO and Congress;
  - d. one Acknowledgement of Receipt to be signed by Congressional representatives acknowledging receipt of the report (i.e., letter) addressed to both GAO and Congress; and
  - e. five copies (without attachments) of the report (i.e., letter) that is addressed to both GAO and Congress.
4. Acknowledgement of Receipt. Model forms for the Acknowledgements of Receipt are attached at Exhibits 7 and 8. The Acknowledgement of Receipt will be signed by the receiving office (GAO and/or Congress) and will be returned to the regulations unit as proof of delivery and receipt.
5. Other Procedures. Be sure to have the Chief, Regulations Unit sign and date all letters before photocopying. (Non-Counsel functions may use a signatory other than the Chief, Regulations Unit.) Also, to assist delivery, highlight the recipient's name on each letter.
6. Return Copy. The regulations unit will keep a copy of the Acknowledgement of Receipt and will send the original Acknowledgement of Receipt to the attorney or other person

identified as the contact person. The principal author or contact person should ensure that all of the original Acknowledgement of Receipts are received from the regulations unit and are placed in the file for the regulation or rule. The regulations unit will maintain a file that consists of a copy of each report (including attachments) that is delivered to GAO and Congress. The regulations unit also will deliver a copy of the report (including attachments and Acknowledgement of Receipt) to the FOIA reading room.

586. REGULATIONS UNIT DATABASE

1. The regulations unit will establish a database to track rules that are required to be delivered to GAO and Congress. (See section 581 for a description of covered rules). In addition, the database will track all notices and announcements to ensure that reports are delivered with respect to such items if they constitute rules. (See section 581). Accordingly, at the time that a notice or announcement is made available to the public, the publications manager or other person who delivers the item to media relations or the bulletin unit should notify the Chief, Regulations Unit in writing or by e-mail if the item is not a rule for which a report is required. If the notice or announcement is a rule for which a report is required, the procedures in sections 583 and 584 apply.

\_\_\_\_\_/s/\_\_\_\_\_  
STUART L. BROWN  
CHIEF COUNSEL

Attachments  
As stated

Exhibit 1

[The name and address in the letter are current as of January 29, 1998; updated names and addresses can be obtained from the Regulations Unit]

[Office of Chief Counsel letterhead]

Mr. Robert P. Murphy  
General Counsel  
General Accounting Office  
Room 7175  
441 G Street, NW  
Washington, DC 20548

Re: Treasury Regulation § [title of regulation]

Dear Sir:

On this date, we have submitted to the Congress and your office a report pursuant to 5 U.S.C. § 801(a)(1)(A) with respect to Treas. Reg. § \_\_\_\_\_, T.D. \_\_\_\_\_. The additional information in this letter is submitted pursuant to 5 U.S.C. § 801(a)(1)(B) with respect to this regulation.

(i) A cost-benefit analysis was not prepared for the regulation. See E.O. 12866 §§ 6(a)(3)(B)(ii) and 6(a)(3)(C) (formal cost-benefit analysis required only for significant regulatory actions).

(ii) No actions relevant to 5 U.S.C. §§ 603, 604, 605, 607, or 609 have been taken.<sup>1</sup> These sections are not applicable because [insert (a) or (b); if both apply, insert (a)].

[(a) the regulation is an interpretative rule with respect to which a notice of proposed rulemaking was published prior to March 29, 1996. See 5 U.S.C. § 601, Pub.L. 104-121 § 245.]

[(b) the regulation is an interpretative rule that does not impose a collection of information requirement on small entities. See 5 U.S.C. §§ 601, 603, 604.]

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<sup>1</sup> If the Regulatory Flexibility Act (RFA) applies, or if the RFA does not apply because the IRS certifies under § 605 of the RFA, insert a sentence that refers to the Special Analyses or other section of the regulation preamble that discusses the analysis or the certification.

(iii) No actions relevant to §§ 202, 203, 204, or 205 of the Unfunded Mandates Reform Act of 1995 have been taken. These sections are not applicable because the regulation **[is not a legislative regulation and because the regulation]** does not include a federal mandate that may result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year, and does not establish regulatory requirements that might significantly or uniquely affect small governments. See 2 U.S.C. §§ 1532-1535.

(iv) Attached are (i) a Notice of Planned Regulatory Action Pursuant to E.O. 12866 that was submitted to OMB pursuant to E.O. 12866, (ii) a checklist that describes actions taken under the Regulatory Flexibility Act, **[and (iii) a Form OMB 83-I (Paperwork Reduction Act Submission) and supplemental statement that was submitted to OMB pursuant to the Paperwork Reduction Act.]** We are not aware of any other information required to be submitted to your office under any other Act or any relevant Executive orders.

For further information, contact **[insert name, office and telephone number of the individual identified as contact person or principal author of the document.]**

Please have your office acknowledge receipt of this letter and attached material by signing and dating the attached Acknowledgement of Receipt and returning it to the undersigned. Thank you.

Sincerely yours,

Cynthia Grigsby  
Chief, Regulations Unit

Attachment(s)

Exhibit 2

[The names and addresses in the letter are current as of January 29, 1998; updated names and addresses can be obtained from the Regulations Unit]

[Office of Chief Counsel letterhead]

The Honorable Al Gore  
President  
United States Senate  
Washington, DC 20510

The Honorable Newt Gingrich  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Mr. Robert P. Murphy  
General Counsel  
General Accounting Office  
Room 7175  
441 G Street, NW  
Washington, DC 20548

Re: Treasury Regulation § [title of regulation]

Dear Sirs:

This letter and attached materials constitute the report required by 5 U.S.C. § 801(a)(1)(A) with respect to the rule identified above.

(i) Attachment 1 is a copy of the rule.

(ii) Attachment 2 is a concise general statement relating to the rule. It has been determined that the rule **[is/is not]** a significant regulatory action within the meaning of E.O. 12866. Consistent with this determination, we believe that it also **[is/is not]** a major rule within the meaning of 5 U.S.C. § 804(2).<sup>2</sup>

(iii) The rule has been sent to the Federal Register for publication and is effective **[insert date from "EFFECTIVE DATE"**

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<sup>2</sup> If the 7-point memorandum for the regulation states whether the regulation is or is not a major rule, the following sentence should be substituted for the two sentences in subparagraph (ii): "It has been determined that the rule **[is/is not]** a major rule within the meaning of 5 U.S.C. § 804(2)."

**section of the preamble<sup>3</sup>**. For dates of applicability, see **[the "Effective dates" section under the "SUPPLEMENTARY INFORMATION" portion of the preamble]**, and **[[§ \_\_\_\_\_] of the regulation]**.

A separate report is being submitted on this date to the Comptroller General with the additional material required by 5 U.S.C. § 801(a)(1)(B). This additional material is available to the Congress upon request.

For further information, contact **[insert name, office, and telephone number of the individual identified as contact person or principal author of the document.]**

Please have your office acknowledge receipt of this report by signing and dating the attached Acknowledgement of Receipt and returning it to the undersigned. Thank you.

Sincerely yours,

Cynthia Grigsby  
Chief, Regulations Unit

Attachments

cc: The Honorable Bill Archer, Chairman  
Committee on Ways and Means  
United States House of Representatives  
(w/o Attachments)

The Honorable Charles B. Rangel, Ranking Minority Member  
Committee on Ways and Means  
United States House of Representatives  
(w/o Attachments)

The Honorable William V. Roth, Jr., Chairman  
Committee on Finance  
United States Senate  
(w/o Attachments)

The Honorable Daniel Patrick Moynihan, Ranking Minority  
Member  
Committee on Finance  
United States Senate  
(w/o Attachments)

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<sup>3</sup> If the rule is a major rule, the effective date cannot be earlier than 60 days after the date of delivery of the letter to GAO and Congress. See 5 U.S.C. § 801(a)(3).

Chief of Staff  
Joint Committee on Taxation  
(w/o Attachments)

Exhibit 3

[The name and address in the letter are current as of January 29, 1998; updated names and addresses can be obtained from the Regulations Unit]

[Office of Chief Counsel letterhead]

Mr. Robert P. Murphy  
General Counsel  
General Accounting Office  
Room 7175  
441 G Street, NW  
Washington, DC 20548

Re: Revenue Ruling [\_\_\_\_\_]

Dear Sir:

On this date, we have submitted to the Congress and your office a report pursuant to 5 U.S.C. § 801(a)(1)(A) with respect to Revenue Ruling [\_\_\_\_\_]. The additional information in this letter is submitted pursuant to 5 U.S.C. § 801(a)(1)(B) with respect to this rule.

(i) A cost-benefit analysis was not prepared for the revenue ruling. See E.O. 12866 §§ 6(a)(3)(B)(ii) and 6(a)(3)(C) (formal cost-benefit analysis required only for significant regulatory actions).

(ii) No actions relevant to 5 U.S.C. §§ 603, 604, 605, 607, or 609 have been taken. These sections are not applicable because the revenue ruling was not published as a notice of proposed rulemaking, and the revenue ruling is not an interpretative rule that imposes a collection of information requirement on small entities and that is published in the Federal Register for codification in the Code of Federal Regulations. See 5 U.S.C. §§ 601, 603, 604.

(iii) No actions relevant to §§ 202, 203, 204, or 205 of the Unfunded Mandates Reform Act of 1995 have been taken. These sections are not applicable because the revenue ruling is not a legislative rule and because the revenue ruling does not include a federal mandate that may result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year, and does not establish regulatory requirements that might significantly or uniquely affect small governments. See 2 U.S.C. §§ 1532-1535.

(iv) We are not aware of any information required to be submitted to your office under any other Act or any relevant Executive orders.

For further information, contact **[insert name, office, and telephone number of the individual identified as contact person or principal author of the document.]**

Please have your office acknowledge receipt of this letter by signing and dating the attached Acknowledgement of Receipt and returning it to the undersigned. Thank you.

Sincerely yours,

Cynthia Grigsby  
Chief, Regulations Unit

Exhibit 4

[The names and addresses in the letter are current as of January 29, 1998; updated names and addresses can be obtained from the Regulations Unit]

[Office of Chief Counsel letterhead]

The Honorable Al Gore  
President  
United States Senate  
Washington, DC 20510

The Honorable Newt Gingrich  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Mr. Robert P. Murphy  
General Counsel  
General Accounting Office  
Room 7175  
441 G Street, NW  
Washington, DC 20548

Re: Revenue Ruling [\_\_\_\_\_]

Dear Sirs:

This letter and attached materials constitute the report required by 5 U.S.C. § 801(a)(1)(A) with respect to the rule identified above.

(i) Attachment 1 is a copy of the rule.

(ii) Attachment 2 is a concise general statement relating to the rule. We **[do not]** believe that the rule is a major rule within the meaning of 5 U.S.C. § 804(2).

(iii) The rule is scheduled for publication in the Internal Revenue Bulletin and will be effective **[insert date of delivery to GAO/Congress or, if it is a major rule, 60 days after delivery to GAO/Congress: see 5 U.S.C. § 801(a)(3)]**. For dates of applicability, see the Effective Date section of the revenue ruling. **[If the revenue ruling does not have an Effective Date section, insert: "The revenue ruling will apply retroactively."]**

A separate report is being submitted on this date to the Comptroller General with the additional material required by 5 U.S.C. § 801(a)(1)(B). This additional material is available to the Congress upon request.

For further information, contact [insert name, office, and telephone number of the individual identified as contact person or principal author of the document.]

Please have your office acknowledge receipt of this report by signing and dating the attached Acknowledgement of Receipt and returning it to the undersigned. Thank you.

Sincerely yours,

Cynthia Grigsby  
Chief, Regulations Unit

Attachments

cc: The Honorable Bill Archer, Chairman  
Committee on Ways and Means  
United States House of Representatives  
(w/o Attachments)

The Honorable Charles B. Rangel, Ranking Minority Member  
Committee on Ways and Means  
United States House of Representatives  
(w/o Attachments)

The Honorable William V. Roth, Jr., Chairman  
Committee on Finance  
United States Senate  
(w/o Attachments)

The Honorable Daniel Patrick Moynihan, Ranking Minority  
Member  
Committee on Finance  
United States Senate  
(w/o Attachments)

Chief of Staff  
Joint Committee on Taxation  
(w/o Attachments)

Exhibit 5

[The name and address in the letter are current as of January 29, 1998; updated names and addresses can be obtained from the Regulations Unit]

[Office of Chief Counsel letterhead]

Mr. Robert P. Murphy  
General Counsel

General Accounting Office  
Room 7175  
441 G Street, NW  
Washington, DC 20548

Re: Revenue Procedure [ \_\_\_\_\_ ]

Dear Sir:

On this date, we have submitted to the Congress and your office a report pursuant to 5 U.S.C. § 801(a)(1)(A) with respect to Revenue Procedure [\_\_\_\_\_]. The additional information in this letter is submitted pursuant to 5 U.S.C. § 801(a)(1)(B) with respect to this rule.

(i) A cost-benefit analysis was not prepared for the revenue procedure. See E.O. 12866 §§ 6(a)(3)(B)(ii) and 6(a)(3)(C) (formal cost-benefit analysis required only for significant regulatory actions).

(ii) No actions relevant to 5 U.S.C. §§ 603, 604, 605, 607, or 609 have been taken. These sections are not applicable because the revenue procedure was not published as a notice of proposed rulemaking, and the revenue procedure is not an interpretative rule that imposes a collection of information requirement on small entities and that is published in the Federal Register for codification in the Code of Federal Regulations. See 5 U.S.C. §§ 601, 603, 604.

(iii) No actions relevant to §§ 202, 203, 204, or 205 of the Unfunded Mandates Reform Act of 1995 have been taken. These sections are not applicable because the revenue procedure is not a legislative rule and because the revenue procedure does not include a federal mandate that may result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year, and does not establish regulatory requirements that might significantly or uniquely affect small governments. See 2 U.S.C. §§ 1532-1535.

(iv) **[Attached is a form OMB 83-I (Paperwork Reduction Act Submission) and supplemental statement that was submitted to OMB pursuant to the Paperwork Reduction Act.]** We are not aware of any **[other]** information required to be submitted to your office under any other Act or any relevant Executive orders.

For further information, contact **[insert name, office, and telephone number of the individual identified as contact person or principal author of the document.]**

Please have your office acknowledge receipt of this letter by signing and dating the attached Acknowledgement of Receipt and returning it to the undersigned. Thank you.

- 3 -

Sincerely yours,

Cynthia Grigsby  
Chief, Regulations Unit

Exhibit 6

[The names and addresses in the letter are current as of January 29, 1998; updated names and addresses can be obtained from the Regulations Unit]

[Office of Chief Counsel letterhead]

The Honorable Al Gore  
President  
United States Senate  
Washington, DC 20510

The Honorable Newt Gingrich  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Mr. Robert P. Murphy  
General Counsel  
General Accounting Office  
Room 7175  
441 G Street, NW  
Washington, DC 20548

Re: Revenue Procedure [ ]

Dear Sirs:

This letter and attached materials constitute the report required by 5 U.S.C. § 801(a)(1)(A) with respect to the rule identified above.

(i) Attachment 1 is a copy of the rule.

(ii) Attachment 2 is a concise general statement relating to the rule. We **[do not]** believe that the rule is a major rule within the meaning of 5 U.S.C. § 804(2).

(iii) The rule is scheduled for publication in the Internal Revenue Bulletin and is effective **[insert date of delivery to GAO/Congress or, if it is a major rule, 60 days after delivery to GAO/Congress: see 5 U.S.C. § 801(a)(3).]** For dates of applicability, see the Effective Date section of the revenue procedure.

A separate report is being submitted on this date to the Comptroller General with the additional material required by 5 U.S.C. § 801(a)(1)(B). This additional material is available to the Congress upon request.

For further information, contact [insert name, office, and telephone number of the individual identified as contact person or principal author of the document.]

Please have your office acknowledge receipt of this report by signing and dating the attached Acknowledgement of Receipt and returning it to the undersigned. Thank you.

Sincerely yours,

Cynthia Grigsby  
Chief, Regulations Unit

Attachments

cc: The Honorable Bill Archer, Chairman  
Committee on Ways and Means  
United States House of Representatives  
(w/o Attachments)

The Honorable Charles B. Rangel, Ranking Minority Member  
Committee on Ways and Means  
United States House of Representatives  
(w/o Attachments)

The Honorable William V. Roth, Jr., Chairman  
Committee on Finance  
United States Senate  
(w/o Attachments)

The Honorable Daniel Patrick Moynihan, Ranking Minority  
Member  
Committee on Finance  
United States Senate  
(w/o Attachments)

Chief of Staff  
Joint Committee on Taxation  
(w/o Attachments)

Exhibit 7

[The signatories' names listed below are current as of January 29, 1998; updated names can be obtained from the Regulations Unit]

ACKNOWLEDGEMENT OF RECEIPT

I hereby acknowledge receipt of the report [(and attachments)] dated [insert date] with respect to [insert number and title of regulation or other rule].

The Honorable Al Gore

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

The Honorable Newt Gingrich

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

Exhibit 8

[The signatory's name listed below is current as of January 29, 1998; updated names can be obtained from the Regulations Unit]

ACKNOWLEDGEMENT OF RECEIPT

I hereby acknowledge receipt of the report **[(and attachments)]** and the letter setting forth the additional information provided under 5 U.S.C. § 801(a)(1)(B) with respect to **[insert number and title of regulation or other rule]**. The report and letter are dated **[insert date]**.

Mr. Robert Murphy

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE