

## Notice of Proposed Rulemaking

### Authority to Modify or Rescind Taxpayer Assistance Orders

GL-1-96

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations regarding taxpayer assistance orders. The proposed regulations provide that the authority to modify or rescind taxpayer assistance orders is limited to the Commissioner, the Deputy Commissioner, or the Ombudsman. The proposed regulations affect all taxpayers with respect to whom a taxpayer assistance order is issued.

DATES: Written comments and requests for a public hearing must be received by July 18, 1996.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (GL-001-96), Room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (GL-001-96), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Robert A. Miller, (202) 622-3640 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

#### *Explanation of Provisions*

This document contains a proposed amendment to the Procedure and Administration Regulations (26 CFR part 301) under section 7811 of the Internal Revenue Code. In Announcement 96-5 (1996-4 I.R.B. 99), Administrative Initiatives to Enhance Taxpayer Rights, IRS indicated it was increasing the power of the Ombudsman to assist taxpayers by affording greater protection

for taxpayer assistance orders. Effective on the date of the Announcement 96-5, January 4, 1996, the power to modify or rescind a taxpayer assistance order issued under section 7811 is limited to the Commissioner, Deputy Commissioner, or the Ombudsman.

The current regulations provide that taxpayer assistance orders may be modified or rescinded by the Commissioner, Deputy Commissioner, or Ombudsman and, additionally, the following IRS officials: a district director, a service center director, a compliance center director, a regional director of appeals, or the superiors of those officials. Announcement 96-5 indicates that proposed regulations would be published in early 1996 to reflect the policy restriction in authority to modify or rescind taxpayer assistance orders. Under the proposed regulations, officials other than the Commissioner, Deputy Commissioner, or the Ombudsman may modify or rescind a taxpayer assistance order only with the specific written authorization of the Commissioner, Deputy Commissioner, or Ombudsman.

#### *Special Analyses*

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

#### *Comments and Requests for a Public Hearing*

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments that are submitted timely (a signed original and eight copies) to the IRS. All comments will be available

for public inspection and copying. A public hearing may be scheduled if requested in writing by a person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the Federal Register.

#### *Drafting Information*

The principal author of these regulations is Robert A. Miller, Office of Assistant Chief Counsel (General Litigation), CC:EL:GL. However, other personnel from the IRS and Treasury Department participated in their development.

#### *Proposed Amendments to the Regulations*

Accordingly, 26 CFR part 301 is proposed to be 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 301.7811-1 is amended by revising paragraphs (d) and (h) to read as follows:

#### *§301.7811-1 Taxpayer Assistance Orders.*

\* \* \* \* \*

(d) *Authority to modify or rescind limited to Commissioner, Deputy Commissioner, or Taxpayer Ombudsman.* The Commissioner, the Deputy Commissioner, and the Ombudsman may modify or rescind a taxpayer assistance order. A district director, a service center director, a compliance center director, a regional director of appeals, or the superiors of those officials, may modify or rescind a taxpayer assistance order only with the specific written authorization of the Commissioner, Deputy Commissioner, or the Ombudsman.

\* \* \* \* \*

(h) *Effective dates.* This section is effective on March 20, 1992, except paragraph (d) of this section which is

effective on the date 90 days after the date of publication of these regulations as final regulations in the Federal Register.

Margaret Milner Richardson,  
*Commissioner of Internal Revenue.*

(Filed by the Office of the Federal Register on April 18, 1996, 8:45 a.m., and published in the issue of the Federal Register for April 19, 1996, 61 F.R. 17265)