
Notice of Proposed Rulemaking

Definition of Last Known Address

REG-104939-99

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations defining “last known address” in relation to the mailing of notices of deficiency and other notices, statements, and documents sent to a taxpayer’s last known address. The proposed regulations affect taxpayers who receive notices of deficiency and other notices, statements, and documents sent to taxpayers’ last known addresses.

DATES: Written or electronic comments and requests for a public hearing must be received by February 22, 2000.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-104939-99), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-104939-99), Courier’s Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the “Tax Regs” option on the IRS Home Page, or by submitting comments directly to http://www.irs.gov/tax_regs/regslst.html (the IRS Internet site).

FOR FURTHER INFORMATION CONTACT: Concerning submissions, Michael Slaughter, (202) 622-7180; concerning the regulations, Charles A. Hall, (202) 622-4940 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

In General

This document contains proposed amendments to the Regulations on Procedure and Administration (26 CFR part 301) under section 6212(b) relating to the sufficiency of a notice of deficiency if it is mailed to the last known address of a taxpayer. This document also contains proposed amendments to the Income Tax Regulations (26 CFR part 1) and the Regulations on Procedure and Administration (26 CFR part 301) to provide cross-references to the proposed last known address rules under section 6212(b) in order to apply those rules to other notices, statements, and documents required to be sent to the last known address of a taxpayer.

Last Known Address

Many statutory and regulatory provisions refer to the last known address of a taxpayer. However, current law with respect to the last known address of a taxpayer has developed under section 6212(b), relating to the address for mailing a notice of deficiency. Generally, under section 6501, the IRS has three years from the date a Federal tax return is filed, or the due date for the return if the return is filed early, to assess a deficiency. Under section 6213, the IRS may not assess or collect a deficiency until after the notice of deficiency has been mailed to the taxpayer giving the taxpayer an opportunity to petition the United States Tax Court. Under section 6212(b), an otherwise valid notice of deficiency is sufficient if it is mailed to the taxpayer's last known address, even if it is not received by the taxpayer.

The term *last known address* is not defined by statute or current regulations. However, case law defines *last known address* as the "address which appears on the taxpayer's most recently filed return, unless [the IRS] has been given clear and concise notification of a different address." *Abeles v. Commissioner*, 91 T.C. 1019, 1035 (1988), *acq.* 1989-2 C.B. 1. The taxpayer's most recently filed return for this purpose is the last return filed by the taxpayer from which, if the return was properly processed, the address on the return was available to the IRS agent mailing a notice of deficiency. *Id.* at 1035.

The taxpayer provides the IRS with clear and concise notification of a change of address by affirmatively informing the IRS that the former address is not to be used. See *King v. Commissioner*, 857 F.2d 676, 681 (9th Cir. 1988); *Monge v. Commissioner*, 93 T.C. 22, 32 (1989). Although the IRS must exercise due diligence in ascertaining the last known address and in mailing the notice of deficiency to the correct address after having become aware of a taxpayer's change of address, that duty does not require the IRS to change the taxpayer's last known address based on information from third party sources. See *Grenczewicz v. Commissioner*, 60 T.C.M. (CCH) 1300, 1302 (1990). Accordingly, under current law, clear and concise notification does not include taxpayer notification to third parties, such as payors or the United States Postal Service (USPS). See *Adams v. Commissioner*, 68 T.C.M. (CCH) 291, 294 (1994), *aff'd sub nom.*, *Miller v. Commissioner*, 76 A.F.T.R.2d (RIA) 95-5903 (10th Cir. 1995) (forwarding order filed with USPS not clear and concise notice to IRS); *Selman v. Commissioner*, 61 T.C.M. (CCH) 2184, 2186 (1991) (USPS change of address form not notice to IRS because no evidence IRS received form); *Martin v. Commissioner*, 64 T.C.M. (CCH) 1529, 1531 (1992) (citing *Selman*); *Grenczewicz v. Commissioner*, 60 T.C.M. (CCH) 1300, 1302 (1990) (IRS not required to review Forms 1099 and Schedule K-1); *Greenstein v. Commissioner*, 60 T.C.M. (CCH) 379, 382 (1990) (Forms W-2G and Form 1099-DIV not sufficient notice).

Current IRS Procedures for Changing Last Known Address

The IRS has prescribed rules for providing clear and concise notification of a different address in Rev. Proc. 90-18 (1990-1 C.B. 491). Under Rev. Proc. 90-18, a taxpayer must give clear and concise written notification of a change of address to the Internal Revenue Service Center that serves the taxpayer's old address or to the Chief, Taxpayer Service Division, in the local district office. The revenue procedure applies to notices required to be sent to a taxpayer's last known address under sections 982(c)(1), 6110(f)(3)(B), 6212(b), 6303(a), 6325(f)(2)(A), 6331(d)(2)(C), 6332(b)(1), 6335(a) and (b),

6901(g), and 7609(a)(2). Rev. Proc. 90-18, section 2.01. Although not included in Rev. Proc. 90-18, section 6110(f)(4)(B) also requires a notice to be sent to a taxpayer's last known address. Since publication of Rev. Proc. 90-18, four new sections have been added to the Code that reference last known address. See sections 6245(b)(1), 6320(a)(2)(C), 6330(a)(2)(C), and 7603(b)(1). Future updates of Rev. Proc. 90-18 will incorporate these new sections, as well as section 6110(f)(4)(B).

Under section 5.04 of Rev. Proc. 90-18, taxpayers may provide the IRS with clear and concise notification of a different address in one of three ways. First, a taxpayer may send the IRS a signed statement informing the IRS that the taxpayer wants the address of record changed to a new address. In addition to the new address, this notification must contain the taxpayer's full name, signature, old address, and social security number and/or employer identification number. Filers of a joint return should provide both names, social security numbers, and signatures. Individuals who have changed last names, for instance, due to marriage, should provide the last name shown on the most recently filed return and the new last name. In all cases, clear and concise written notification must be specific as to a change of address. Thus, a new address reflected in the letterhead of taxpayer correspondence will not by itself change a taxpayer's address of record.

Second, if the IRS sends correspondence to the taxpayer that solicits or requires a response by the taxpayer and the taxpayer returns the correspondence to the IRS with corrections marked on the taxpayer's address information, the return of the correspondence will constitute clear and concise written notification of a change of address. The taxpayer's signature on the correspondence is not required.

Third, the taxpayer may file a Form 8822, "Change of Address," with the IRS.

In addition to the rules prescribed in Rev. Proc. 90-18, the IRS currently accepts oral notification of a different address, provided the request is made in the context of an inquiry about the taxpayer's account. Courts have acknowledged the validity of oral notification of a change of

address for purposes of last known address under section 6212(b), provided the notification is sufficiently clear, is given to a proper representative of the IRS, and is established by competent proof. See *Mollet v. Commissioner*, 82 T.C. 618, 625–26 (1984). Future updates of Rev. Proc. 90–18 will permit the oral notification of a change of address.

Explanation of Provisions

The proposed regulations define last known address consistent with the definition set forth in *Abeles*. Accordingly, the proposed regulations provide that the taxpayer's last known address is the address that appears on the taxpayer's most recently filed and properly processed Federal tax return, unless the IRS is given clear and concise notification of a different address.

The proposed regulations also provide that the IRS will use an address obtained from the United States Postal Service (USPS) as a taxpayer's last known address in the absence of a more recent address. Although current law does not require the IRS to treat a taxpayer's notification to a third party, such as a payor or the USPS, as clear and concise notification of a different address for purposes of determining a last known address, the IRS and the Treasury Department are not prohibited from prescribing a rule that would allow the IRS to consult a third party source for the taxpayer's most current address.

Thus, the proposed regulations provide that beginning in May 2000, the IRS will refer to the USPS's National Change of Address (NCOA) database to obtain a taxpayer's address for purposes of determining the taxpayer's last known address. The proposed regulations also provide that the rules for last known address under §301.6212–2 apply for purposes of other notices, statements, and documents mailed by the IRS to a taxpayer's last known address pursuant to the Internal Revenue Code or regulations. In addition, the regulations propose to amend existing regulations that use the term "last known address" to cross reference the regulations to §301.6212–2.

NCOA Database

The NCOA database is a computerized record of changes of address maintained

by the USPS. This database retains address changes for a thirty-six month period. USPS obtains the change of address information from a properly submitted USPS Form 3575, "Official Mail Forwarding Change of Address Form." Both businesses and individuals use the Form 3575. Individuals may indicate whether the change of address applies to the individual or, if applicable, the individual's entire family.

Updating Master File

In May 2000, and again in November 2000, and annually thereafter in each November, the Martinsburg Computing Center (MCC) in Martinsburg, West Virginia, will access the NCOA database to update all taxpayer address records maintained in the IRS's automated master file for purposes of updating the IRS's mailing list. Generally, if the taxpayer's name and the last known address maintained in the automated master file match the taxpayer's name and old mailing address contained in the NCOA database, within certain tolerances, the IRS will use the new address obtained from the NCOA database to update the automated master file. The updated address will be the taxpayer's last known address, unless the IRS is given clear and concise notification of a different address. However, due to IRS system limitations, if taxpayers file jointly, but the NCOA database contains change of address information for only one spouse, the earliest this rule will apply is January 2001. The IRS will publish further guidance as to when this rule will apply to these joint filers.

In addition, beginning in May 2000, prior to mailing correspondence to any particular taxpayer from an IRS Service Center, the IRS will access the NCOA database to determine if the taxpayer submitted a Form 3575 to the USPS with a more recent address. If so, the following will occur: (1) the correspondence will be mailed to the address obtained from the NCOA database, and (2) the IRS will use the new address from the NCOA database to update the automated master file. This updated address will be the taxpayer's last known address. Similar to the exception relating to the annual update, however, this rule will not be effective any earlier than January 2001 if taxpayers file jointly, but the NCOA database contains change

of address information for only one spouse.

If the taxpayer subsequently files a return with an address other than the address on the Form 3575, the taxpayer's last known address will be the address on the subsequently filed and properly processed return. Similarly, if the taxpayer submits a Form 8822, "Change of Address," (or other clear and concise notification of a change of address) to the IRS after the taxpayer submits a Form 3575 to the USPS, the taxpayer's last known address will be the address on the Form 8822 (or on the clear and concise notification). In each instance, the IRS's master file will be updated to reflect the taxpayer's new last known address.

The IRS will not access the NCOA database prior to mailing correspondence from district offices and posts of duty. Unlike Service Centers, these locations do not have the systems capability to check the NCOA database for individual mailings at this time. Instead, the IRS will use the address stored in the automated master file. For purposes of correspondence mailed from district offices and posts of duty, the address on the IRS automated master file, as updated through the use of the NCOA database, will be the taxpayer's last known address.

Using the NCOA database will increase customer service by allowing faster delivery of IRS correspondence to a taxpayer. Rather than mailing correspondence to an address which is no longer a taxpayer's address and relying on the USPS to forward mail to the taxpayer's most recent address, the IRS will mail the correspondence directly to the taxpayer's most recent address. In addition, by updating the automated master file with the most recent address, future IRS correspondence will be mailed to the taxpayer's most recent address.

Although use of the NCOA database will result in improved delivery in most cases, such use does not completely eliminate the taxpayer's need to provide the IRS with clear and concise notification of a different address. For instance, if the taxpayer changes the address of a residence or business and submits a Form 3575 with the USPS, but does not wish to change the taxpayer's address for purposes of IRS correspondence, then the taxpayer must notify the IRS as provided

in Rev. Proc. 90–18. It should be noted, however, that even if the taxpayer notifies the IRS to continue using the old address for IRS correspondence, the USPS may forward the correspondence to the address on the USPS Form 3575.

Licensing Agreement with USPS

To gain access to the NCOA database, the IRS has applied to the USPS to become a limited licensee of the NCOA database. As a limited licensee, the IRS will receive from the USPS a copy of the entire thirty-six month NCOA database and periodic updates thereto in electronic format. The USPS will not have access to confidential return information as a result of this process. Moreover, unlike organizations that have entered into general licensing agreements with the USPS for use of the NCOA database, the IRS will not provide name and address matching services to commercial customers. Rather, the IRS will only use the NCOA database to update taxpayers' addresses maintained in the automated master file in the manner prescribed by these regulations. The IRS and the Treasury Department invite comments regarding whether the IRS should become a licensee for the limited purpose of updating its automated master file.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 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) does not apply to these regulations, and because these regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. 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, considera-

tion will be given to any electronic or written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested by any person that timely submits 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 Charles A. Hall, Office of Assistant Chief Counsel (Income Tax and Accounting). However, other personnel from the IRS and Treasury Department participated in their development.

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Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 301 are proposed to be amended as follows:

PART 1—INCOME TAXES

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

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

Par. 2. In § 1.468A–5, paragraph (c)(1)(ii) is amended by adding a sentence at the end of the paragraph to read as follows:

§1.468A–5 Nuclear decommissioning fund qualification requirements; prohibitions against self-dealing; disqualification of nuclear decommissioning fund; termination of fund upon substantial completion of decommissioning.

* * * * *

(c) * * *

(1) * * *

(ii) * * * For further guidance regarding the definition of last known address, see § 301.6212–2 of this chapter.

* * * * *

Par. 3. In § 1.503(a)–1 is amended by adding a sentence at the end of the concluding text of paragraph (c) to read as follows:

§1.503(a)–1 Denial of exemption to certain organizations engaged in prohibited transactions.

* * * * *

(c) * * *

* * * For further guidance regarding the definition of last known address, see § 301.6212–2 of this chapter.

* * * * *

Par. 4. In § 1.547–2, paragraph (b)(1)(v) is amended by adding a sentence after the third sentence of the paragraph to read as follows:

§1.547–2 Requirements for deficiency dividends.

* * * * *

(b) * * *

(1) * * *

(v) * * * For further guidance regarding the definition of last known address, see § 301.6212–2 of this chapter. * * *

* * * * *

Par. 5. In § 1.856-6, paragraph (g)(5) is amended by adding a sentence after the first sentence of the paragraph to read as follows:

§1.856–6 Foreclosure property.

* * * * *

(g) * * *

(5) * * * For further guidance regarding the definition of last known address, see § 301.6212–2 of this chapter. * * *

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Par. 6. In § 1.860–2, paragraph (b)(1)(ii) is amended by adding a sentence after the fourth sentence of the paragraph to read as follows:

§1.860–2 Requirements for deficiency dividends.

* * * * *

(b) * * *

(1) * * *

(ii) * * * For further guidance regarding the definition of last known address, see § 301.6212–2 of this chapter. * * *

* * * * *

Par. 7. In §1.963-6, paragraph (c)(5) is amended by adding a sentence after the second sentence of the paragraph to read as follows:

§1.963-6 Deficiency distribution.

* * * * *

(c) * * *

(5) * * * For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter. * * *

* * * * *

Par. 8. In §1.992-3, paragraph (c)(3)(iv) is amended by adding a sentence after the third sentence of the paragraph to read as follows:

§1.992-3 Deficiency distributions to meet qualification requirements.

* * * * *

(c) * * *

(3) * * *

(iv) * * * For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter. * * *

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Par. 9. In §1.6081-2, paragraph (f) is amended by adding a sentence at the end of the paragraph to read as follows:

§1.6081-2 Automatic extension of time to file partnership return of income.

* * * * *

(f) * * * For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

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Par. 10. In §1.6081-3, paragraph (d) is amended by adding a sentence at the end of the paragraph to read as follows:

§1.6081-3 Automatic extension of time for filing corporation income tax returns.

* * * * *

(d) * * * For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

* * * * *

Par. 11. In §1.6081-4, paragraph (c) is amended by adding a sentence at the end of the paragraph to read as follows:

§1.6081-4 Automatic extension of time for filing individual income tax returns.

* * * * *

(c) * * * For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

* * * * *

Par. 12. In §1.6081-6, paragraph (d) is amended by adding a sentence at the end of the paragraph to read as follows:

§1.6081-6 Automatic extension of time to file trust income tax return.

* * * * *

(d) * * * For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

* * * * *

Par. 13. In §1.6081-7, paragraph (d) is amended by adding a sentence at the end of the paragraph to read as follows:

§1.6081-7 Automatic extension of time to file Real Estate Mortgage Investment Conduit (REMIC) income tax return.

* * * * *

(d) * * * For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

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PART 301—PROCEDURE AND ADMINISTRATION

Par. 14. The authority citation for part 301 continues to read in part as follows: Authority: 26 U.S.C. 7805 * * *

Par. 15. In §301.6110-4, paragraph (c)(3) is amended by adding a sentence at the end of the paragraph to read as follows:

§301.6110-4 Communications from third parties.

* * * * *

(c) * * *

(3) * * * For further guidance regarding the definition of last known address, see §301.6212-2.

* * * * *

Par. 16. In §301.6110-5, paragraph (b)(4) is amended by adding a sentence at

the end of the paragraph to read as follows:

§301.6110-5 Notice and time requirements; actions to restrain disclosure; actions to obtain additional disclosure.

* * * * *

(b) * * *

(4) * * * For further guidance regarding the definition of last known address, see §301.6212-2.

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Par. 17. In §301.6110-6, paragraph (b)(2)(v) is amended by adding a sentence at the end of the paragraph to read as follows:

§301.6110-6 Written determinations issued in response to requests submitted before November 1, 1976.

* * * * *

(b) * * *

(2) * * *

(v) * * * For further guidance regarding the definition of last known address, see §301.6212-2.

* * * * *

Par. 18. Section 301.6212-2 is added to read as follows:

§301.6212-2 Definition of last known address.

(a) General rule. Except as provided in paragraph (b)(2) of this section, a taxpayer's last known address is the address that appears on the taxpayer's most recently filed and properly processed Federal tax return, unless the Internal Revenue Service (IRS) is given clear and concise notification of a different address.

(b) Address obtained from third party—(1) In general. Except as provided in paragraph (b)(2) of this section, change of address information that a taxpayer provides to a third party, such as a payor or another government agency, is not clear and concise notification of a different address for purposes of determining a last known address under this section.

(2) Exception for address obtained from the United States Postal Service—(i) Annual update. Annually, the IRS will

update taxpayer addresses maintained in IRS records by referring to data accumulated and maintained in the United States Postal Service (USPS) National Change of Address database that retains change of address information for thirty-six months (NCOA database). Except as provided in paragraph (b)(2)(ii) of this section, if the taxpayer's name and last known address in IRS records match the taxpayer's name and old mailing address contained in the NCOA database, within certain tolerances, the new address in the NCOA database is the taxpayer's last known address, unless the IRS is given clear and concise notification of a different address.

(ii) *Update prior to mailing any notice, statement or document from an IRS Service Center.* Prior to mailing any notice, statement, or other document, including a notice of deficiency, to the taxpayer from an IRS Service Center, the IRS will update the taxpayer's last known address by referring to the NCOA database. If the taxpayer's name and last known address in IRS records match the taxpayer's name and old mailing address contained in the NCOA database, within certain tolerances, the new address in the NCOA database is the taxpayer's last known address, unless the IRS is given clear and concise notification of a different address.

(iii) *Duration of address obtained from NCOA database.* The address obtained from the NCOA database under paragraph (b)(2)(i) or (ii) of this section is the taxpayer's last known address until one of the following events occurs—

(A) The taxpayer files and the IRS properly processes a Federal tax return with an address different from the address obtained from the NCOA database; or

(B) The taxpayer provides the IRS with clear and concise notification of a change of address, as defined in procedures prescribed by the Commissioner, that is different from the address obtained from the NCOA database.

(3) *Examples.* The following examples illustrate the rules of paragraph (b)(2) of this section:

Example 1. (i) A is an unmarried taxpayer. The address on A's 1999 Form 1040, U.S. Individual Income Tax Return, filed on April 14, 2000, and 2000 Form 1040 filed on April 13, 2001, is 1234 Anyplace Street, Anytown, USA 43210. On May 15, 2001, A informs the USPS of a new permanent address (9876 Newplace Street, Newtown, USA 12345) using the USPS Form 3575, "Official Mail

Forwarding Change of Address Form." The change of address is included in the USPS NCOA database.

(ii) In June 2001 the IRS determines a deficiency for A's 1999 tax year and prepares to issue the notice of deficiency. When the IRS mails the notice of deficiency from the Service Center, the IRS refers to the NCOA database and updates the taxpayer's last known address to 9876 Newplace Street, Newtown, USA 12345. On June 15, 2001, the IRS mails a notice of deficiency to A at 9876 Newplace Street, Newtown, USA 12345. For purposes of section 6212(b), the notice of deficiency mailed on June 15, 2001, is mailed to A's last known address.

Example 2. (i) The facts are the same as in *Example 1*, except that instead of determining a deficiency for A's 1999 tax year in June 2001, the IRS determines a deficiency for A's 1999 tax year in December 2001. The IRS performs its annual update of addresses in November 2001. At this time the taxpayer's address maintained in IRS records was changed to 9876 Newplace Street, Newtown, USA 12345.

(ii) On December 14, 2001, the IRS mails a notice of deficiency to A at 9876 Newplace Street, Newtown, USA 12345. For purposes of section 6212(b), the notice of deficiency mailed on December 14, 2001, is mailed to A's last known address.

Example 3. (i) B is an unmarried taxpayer. The address on B's 1999 Form 1040, U.S. Individual Income Tax Return, filed on April 14, 2000, is 1234 Main Street, Mytown, USA 56789. In September 2000, B informs the USPS of a new permanent address (4321 Maple Street, Ourtown, USA 54321) using the USPS Form 3575, "Official Mail Forwarding Change of Address Form."

(ii) In September 2000, the IRS determines a deficiency for B's 1998 tax year and prepares to issue the notice of deficiency in the Service Center. On September 15, 2000, the IRS refers to the NCOA database to update the taxpayer's last known address. Because B did not inform the USPS of a change of address in sufficient time to be included in the NCOA database on September 15, 2000, the NCOA database does not yet contain any address information for B. On September 15, 2000, the IRS mails a notice of deficiency to B at 1234 Main Street, Mytown, USA 56789. For purposes of section 6212(b), the notice of deficiency mailed on September 15, 2000, is mailed to B's last known address.

Example 4. (i) C is an unmarried taxpayer. The address on C's 1998 Form 1040, U.S. Individual Income Tax Return, filed on April 15, 1999, and 1999 Form 1040 filed on April 14, 2000, is 2468 Spring Street, Little City, USA 97531. On August 15, 2001, C informs the USPS of a new permanent address (8642 Peachtree Street, Big City, USA 13579) using the USPS Form 3575, "Official Mail Forwarding Change of Address Form." The IRS performs its annual update of addresses in November 2001.

(ii) In September 2001 the IRS district office for Little City, USA determines a deficiency for C's 1998 tax year and prepares to issue the notice. When the IRS mails the notice of deficiency from the district office, the IRS does not refer to the NCOA database because IRS systems are not capable of checking the NCOA database for individual mailings other than for Service Center correspondence. On September 17, 2001, the IRS mails a notice of deficiency for tax year 1998 to C at 2468 Spring Street, Little City, USA 97531. For purposes of section 6212(b), the

notice of deficiency mailed on September 17, 2001, is mailed to C's last known address.

(iii) Also in September 2001, the IRS determines a deficiency for C's 1999 tax year. When the IRS mails this notice of deficiency from the IRS Service Center, the IRS refers to the NCOA database and updates the taxpayer's last known address to 8642 Peachtree Street, Big City, USA 13579. On September 18, 2001, the IRS mails a notice of deficiency for tax year 1999 to C at 8642 Peachtree Street, Big City, USA 13579. For purposes of section 6212(b), the notice of deficiency mailed on September 18, 2001, is mailed to C's last known address.

Example 5. The facts are the same as in *Example 4*, except that the IRS Service Center mails the notice of deficiency for C's 1999 tax year on September 10, 2001, after updating the taxpayer's last known address by referring to the NCOA database. On September 17, 2001, when the district office prepares to mail the notice of deficiency for C's 1998 tax year by referring to the IRS's automated master file, the taxpayer's address will appear as 8642 Peachtree Street, Big City, USA 13579. Thus, in both cases, for purposes of section 6212(b), the taxpayer's last known address is 8642 Peachtree Street, Big City, U.S.A. 13579.

(c) *Last known address for all notices, statements, and documents.* The rules in paragraphs (a) and (b) of this section apply for purposes of determining whether all notices, statements, or other documents are mailed to a taxpayer's last known address whenever the term last known address is used in the Internal Revenue Code or the regulations thereunder.

(d) *Effective Date*—(1) *In general.* Except as provided in paragraph (d)(2) of this section, the rules prescribed by this section apply to all notices, statements, and other documents mailed on or after May 1, 2000.

(2) *Individual moves in the case of joint filers.* In the case of taxpayers who file joint returns under section 6013, if the NCOA database contains change of address information for only one spouse, paragraphs (b)(2) and (3) of this section will not apply to notices, statements, and other documents mailed before January 1, 2001.

Par. 19. In §301.6303–1, paragraph (a) is amended by adding a sentence at the end of the paragraph to read as follows:

§301.6303–1 *Notice and demand for tax.*

* * * * *

(a) * * * For further guidance regarding the definition of last known address, see §301.6212–2.

* * * * *

Par. 20. In §301.6305-1, paragraph (b)(2)(ii) is revised to read as follows:

§301.6305-1 Assessment and collection of certain liability.

* * * * *

- (b) * * *
- (2) * * *

(ii) The name, social security number, and last known address of the individual owing the assessed amount. For further guidance regarding the definition of last known address, see §301.6212-2;

* * * * *

Par. 21. In §301.6320-1T, paragraph (a)(1) is amended by adding a sentence at the end of the paragraph to read as follows:

§301.6320-1T Notice and opportunity for hearing upon filing of notice of Federal tax lien (temporary).

(a) * * * (1) * * * For further guidance regarding the definition of last known address, see §301.6212-2.

* * * * *

Par. 22. In §301.6325-1, paragraph (f)(2)(ii)(a) is revised to read as follows:

§301.6325-1 Release of lien or discharge of property.

* * * * *

- (f) * * *
- (2) * * *
- (ii) * * *

(a) Mailing notice of the revocation to the taxpayer at his last known address (see §301.6212-2 for further guidance regarding the definition of last known address); and

* * * * *

Par. 23. In §301.6330-1T, paragraph (a)(1) is amended by adding a sentence at the end of the paragraph to read as follows:

§301.6330-1T Notice and opportunity for hearing prior to levy (temporary).

(a) * * * (1) * * * For further guidance regarding the definition of last known address, see §301.6212-2.

* * * * *

Par. 24. In §301.6331-2, paragraph (a)(1) is amended by adding a sentence after the second sentence of the paragraph to read as follows:

§301.6331-2 Procedures and restrictions on levies.

(a) * * * (1) * * * For further guidance regarding the definition of last known address, see §301.6212-2. * * *

* * * * *

Par. 25. Section 301.6332-2 is amended as follows:

1. Paragraphs (b)(1) introductory text, (b)(1)(i), and (b)(1)(ii) are redesignated as paragraphs (b)(1)(i) introductory text, (b)(1)(i)(A), and (b)(1)(i)(B), respectively.

2. In newly designated paragraph (b)(1)(i)(B), the text beginning with the second sentence is redesignated as paragraph (b)(1)(ii).

3. Newly designated paragraph (b)(1)(ii) is amended by adding a sentence after the second sentence of the paragraph.

The addition reads as follows:

§301.6332-2 Surrender of property subject to levy in the case of life insurance and endowment contracts.

* * * * *

(b) * * * (1) *In general.* (i) * * *

(ii) * * * For further guidance regarding the definition of last known address, see §301.6212-2. * * *

* * * * *

Par. 26. In §301.6335-1, paragraph (b)(1) is amended by adding a sentence after the third sentence of the paragraph to read as follows:

§301.6335-1 Sale of seized property.

* * * * *

(b) * * * (1) * * * For further guidance regarding the definition of last known address, see §301.6212-2.

* * * * *

Par. 27. In §301.6503(c)-1, paragraph (a) is amended by adding a sentence at the end of the paragraph to read as follows:

§301.6503(c)-1 Suspension of running of period of limitation; location of property outside the United States or removal of property from the United States; taxpayer outside of United States.

(a) * * * For further guidance regarding the definition of last known address, see §301.6212-2.

* * * * *

Par. 28. In §301.6903-1, paragraph (c) is amended by adding a sentence after the first sentence of the paragraph to read as follows:

§301.6903-1 Notice of fiduciary relationship.

* * * * *

(c) * * * For further guidance regarding the definition of last known address, see §301.6212-2. * * *

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Internal Revenue.

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