

Application of Circular 230 to Municipal Bond Opinions Announcement 2004-29

On December 30, 2003, the Treasury Department published a notice of proposed rulemaking in the Federal Register (REG-122379-02, 2004-5 I.R.B. 392) proposing modifications to rules governing practice before the Internal Revenue Service (Circular 230). Section 10.35 (Requirements for certain tax shelter opinions) of the proposed regulations is proposed to

be effective for opinions rendered after the date that final regulations are published in the Federal Register.

The Treasury Department and the IRS are continuing to consider all comments on the proposed regulations. In the meantime, the Treasury Department and the IRS announce that, in final regulations, the definition of tax shelter opinion for purposes of section 10.35 will not apply, if at all, to written advice concerning municipal bonds rendered less than 120 days after the publication of such final regulations in the Federal Register. Conforming

changes, if necessary, will be made to section 10.36(b).

The principal author of this notice is Heather L. Dostaler of the Office of the Associate Chief Counsel (Procedure and Administration), Administrative Provisions and Judicial Practice Division, but other personnel from the IRS and Treasury Department participated in its development. For further information regarding this notice, contact Heather L. Dostaler at (202) 622-4940 (not a toll-free number).