

Part III - Administrative, Procedural, and Miscellaneous

Extension of the Timeframe for Disclosures to Persons Designated in a Written Request or Consent Pursuant to Section 6103(c)

Notice 2010-8

This notice provides interim rules extending the period for submission to the IRS (or an agent or contractor of the IRS) of taxpayer authorizations permitting disclosure of returns and return information pursuant to section 6103(c). Specifically, this notice extends from 60 days to 120 days the period within which a signed and dated authorization must be received by the IRS in order for it to be effective. The IRS will apply the interim rules in this notice until the Treasury Department and the IRS amend the regulation under section 6103(c).

BACKGROUND

Section 6103(c) provides that, subject to the requirements and conditions set forth by the Secretary in the regulation, returns and return information may be disclosed to persons designated by the taxpayer in a request for or consent to disclosure. The Treasury Regulation under section 6103(c) sets out the requirements for such disclosures to designees. 26 C.F.R. 301.6103(c)-1(b). An authorization for disclosure must include the following items in a written document pertaining solely to the authorization: (1) the taxpayer's identity (name, address, taxpayer identifying number)

that enables the IRS to clearly identify the taxpayer; (2) the identity of the person to whom disclosure is to be made; (3) the type of return or return information to be disclosed; and (4) the taxable year or years covered by the return or return information. 26 C.F.R. 301.6103(c)-1(b)(1). The taxpayer must sign and date the written document.

The regulation bars disclosure of a return or return information unless the written request for or written consent to disclosure is received by the IRS (or an agent or contractor of the IRS) within 60 days following the date upon which the written request was signed and dated by the taxpayer. 26 C.F.R. 301.6103(c)-1(b)(2).

INTERIM GUIDANCE

The IRS recognizes the importance of limiting the effective period of authorizations provided pursuant to section 6103(c). Reasonable limitation on the effective period of written authorizations helps ensure the currency of the authorization and protects taxpayer privacy. The current 60 day period, however, has proven problematic. Some institutions charged with assisting taxpayers in their financial dealings have encountered difficulty in obtaining written authorizations and submitting the authorizations to the IRS within the 60 days allowed by the existing regulation. To reduce burdens on taxpayers and the institutions and professionals assisting them, the IRS will amend the regulation under section 6103(c) to extend from 60 days to 120 days the effective period of taxpayer-provided authorizations. In the interim, disclosures otherwise permitted under section 6103(c) will be made provided the IRS receives the written authorization within 120 days following the date upon which the request or consent was signed and dated by the taxpayer. This interim rule will apply to all

authorizations executed on or after the date that is sixty days prior to the publication of this notice.

COMMENTS

Interested parties are invited to submit comments on this notice by January 25, 2010. Written comments should be submitted to: Internal Revenue Service; CC:PA:LPD:PR (Notice 2010-8); Room 5203; P.O. Box 7604; Ben Franklin Station; Washington, DC 20044. Alternatively, comments may be hand delivered between the hours of 8:00 a.m. and 4:00 p.m. Monday to Friday to: CC:PA:LPD:PR (Notice 2010-8); Courier's Desk; Internal Revenue Service; 1111 Constitution Avenue, NW; Washington, DC. Comments may also be transmitted electronically via the following e-mail address: Notice.Comments@irsounsel.treas.gov. Please include "Notice 2010-8" in the subject line of any electronic communications. All comments will be available for public inspection and copying in their entirety.

EFFECTIVE DATE FOR INTERIM GUIDANCE

These interim rules regarding the effective period for authorizations of disclosures to third-party designees are applicable from the date of publication of this notice. Forthcoming changes to the existing regulation under section 6103(c) will be applicable, once promulgated, as of the publication date of this notice.

DRAFTING INFORMATION

The principal author of this notice is Mark E. Cottrell of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this notice contact Mark E. Cottrell on (202) 622-4570 (not a toll-free call).