

“(ii) a registration statement indicating that such partnership was to be a publicly traded partnership was filed with the Securities and Exchange Commission with respect to such partnership on or before such date, or

“(iii) with respect to such partnership, an application was filed with a State regulatory commission on or before such date seeking permission to restructure a portion of a corporation as a publicly traded partnership.

“(B) SPECIAL RULE WHERE SUBSTANTIAL NEW LINE OF BUSINESS ADDED AFTER DECEMBER 17, 1987.—A partnership which, but for this subparagraph, would be treated as an existing partnership shall cease to be treated as an existing partnership as of the 1st day after December 17, 1987, on which there has been an addition of a substantial new line of business with respect to such partnership.

“(C) COORDINATION WITH PASSIVE-TYPE INCOME REQUIREMENTS.—In the case of an existing partnership, paragraph (1) of section 7704(c) of the Internal Revenue Code of 1986 (as added by this section) shall be applied by substituting for ‘December 31, 1987’ the earlier of—

“(i) December 31, 1997, or

“(ii) the day (if any) as of which such partnership ceases to be treated as an existing partnership by reason of subparagraph (B).”

CHAPTER 80—GENERAL RULES

Subchapter A. Application of internal revenue laws .... 7801
B. Effective date and related provisions .... 7851
C. Provisions affecting more than one sub-title ..... 7871

Subchapter A—Application of Internal Revenue Laws

7801. Authority of Department of the Treasury.
7802. Internal Revenue Service Oversight Board.
7803. Commissioner of Internal Revenue; other officials.
7804. Other personnel.
7805. Rules and regulations.
7806. Construction of title.
7807. Rules in effect upon enactment of this title.
7808. Depositaries for collections.
7809. Deposit of collections.
7810. Revolving fund for redemption of real property.
7811. Taxpayer Assistance Orders.

AMENDMENTS

1998—Pub. L. 105-206, title I, §§1101(c)(2), 1102(e)(1), 1104(b)(2), July 22, 1998, 112 Stat. 697, 704, 710, added items 7802 to 7804 and struck out former items 7802 “Commissioner of Internal Revenue; Assistant Commissioners; Taxpayer Advocate”, 7803 “Other personnel”, and 7804 “Effect of reorganization plans”.

1996—Pub. L. 104-168, title I, §101(b)(3), July 30, 1996, 110 Stat. 1456, added item 7802 and struck out former item 7802 “Commissioner of Internal Revenue; Assistant Commissioner (Employee Plans and Exempt Organizations)”.

1988—Pub. L. 100-647, title VI, §6230(b), Nov. 10, 1988, 102 Stat. 3734, added item 7811.

1983—Pub. L. 97-473, title II, §202(c), Jan. 14, 1983, 96 Stat. 2610, added item for subchapter C.

1974—Pub. L. 93-406, title II, §1051(c), Sept. 2, 1974, 88 Stat. 951, substituted “Commissioner of Internal Revenue; Assistant Commissioner (Employee Plans and Exempt Organizations)” for “Commissioner of Internal Revenue” in item 7802.

1966—Pub. L. 89-719, title I, §112(c), Nov. 2, 1966, 80 Stat. 1146, added item 7810.

1 Section numbers editorially supplied.

§ 7801. Authority of Department of the Treasury

(a) Powers and duties of Secretary

(1) In general

Except as otherwise expressly provided by law, the administration and enforcement of this title shall be performed by or under the supervision of the Secretary of the Treasury.

(2) Administration and enforcement of certain provisions by Attorney General

(A) In general

The administration and enforcement of the following provisions of this title shall be performed by or under the supervision of the Attorney General; and the term “Secretary” or “Secretary of the Treasury” shall, when applied to those provisions, mean the Attorney General; and the term “internal revenue officer” shall, when applied to those provisions, mean any officer of the Bureau of Alcohol, Tobacco, Firearms, and Explosives so designated by the Attorney General:

(i) Chapter 53.

(ii) Chapters 61 through 80, to the extent such chapters relate to the enforcement and administration of the provisions referred to in clause (i).

(B) Use of existing rulings and interpretations

Nothing in this Act1 alters or repeals the rulings and interpretations of the Bureau of Alcohol, Tobacco, and Firearms in effect on the effective date of the Homeland Security Act of 2002, which concern the provisions of this title referred to in subparagraph (A). The Attorney General shall consult with the Secretary to achieve uniformity and consistency in administering provisions under chapter 53 of title 26, United States Code.

[(b) Repealed. Pub. L. 97-258, §5(b), Sept. 13, 1982, 96 Stat. 1068, 1078]

(c) Functions of Department of Justice unaffected

Nothing in this section or section 301(f) of title 31 shall be considered to affect the duties, powers, or functions imposed upon, or vested in, the Department of Justice, or any officer thereof, by law existing on May 10, 1934.

(Aug. 16, 1954, ch. 736, 68A Stat. 915; Pub. L. 86-368, §1, Sept. 22, 1959, 73 Stat. 647; Pub. L. 88-426, title III, §305(39), Aug. 14, 1964, 78 Stat. 427; Pub. L. 94-455, title XIX, §1906(b)(13)(B), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 97-258, §§2(f)(1), 5(b), Sept. 13, 1982, 96 Stat. 1059, 1068, 1078; Pub. L. 107-296, title XI, §1112(k), Nov. 25, 2002, 116 Stat. 2277.)

REFERENCES IN TEXT

The effective date of the Homeland Security Act of 2002, referred to in subsec. (a)(2)(B), is 60 days after Nov. 25, 2002, see section 4 of Pub. L. 107-296, set out as an Effective Date note under section 101 of Title 6, Domestic Security.

AMENDMENTS

2002—Subsec. (a). Pub. L. 107-296 designated existing provisions as par. (1), inserted par. heading, and added par. (2).

1 So in original.

1982—Subsec. (b). Pub. L. 97-258, §5(b), struck out subsec. (b) which related to Office of General Counsel of Department of the Treasury. See section 301 of Title 31, Money and Finance.

Subsec. (c). Pub. L. 97-258, §2(f)(1), inserted “or section 301(f) of title 31” after “Nothing in this section”.

1976—Subsec. (b). Pub. L. 94-455 substituted “Secretary of the Treasury” for “Secretary” in four places, in par. (1) after “prescribed by the”, in par. (2) after “prescribed by the” and in third sentence thereof “The”, and in par. (3) before “may appoint and fix”.

1964—Subsec. (b)(2). Pub. L. 88-426 struck out provisions which prescribed compensation of Assistant General Counsel.

1959—Pub. L. 86-368 provided for Presidential appointment and for compensation of Assistant General Counsel who shall be Chief Counsel for Internal Revenue Service.

#### EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-296 effective 60 days after Nov. 25, 2002, see section 4 of Pub. L. 107-296, set out as an Effective Date note under section 101 of Title 6, Domestic Security.

#### EFFECTIVE DATE OF 1964 AMENDMENT

Amendment by Pub. L. 88-426 effective on first day of first pay period which begins on or after July 1, 1964, except to the extent provided in section 501(c) of Pub. L. 88-426, see section 501 of Pub. L. 88-426, title V, Aug. 14, 1964, 78 Stat. 435.

#### EFFECTIVE DATE OF 1959 AMENDMENT

Pub. L. 86-368, §3, Sept. 22, 1959, 73 Stat. 648, provided that:

“(a) Except as otherwise provided in this Act, the amendments made by this Act [amending this section] shall take effect on the date of the enactment of this Act [Sept. 22, 1959].

“(b) The amendments made by section 2 of this Act [amending sections 7452 and 8023 of this title] shall take effect when the Chief Counsel for the Internal Revenue Service first appointed pursuant to the amendment made by section 1 of this Act [amending this section] qualifies and takes office.”

#### REPEALS

Pub. L. 86-368, §1, Sept. 22, 1959, 73 Stat. 648; Pub. L. 88-426, title III, §305(39), Aug. 14, 1964, 78 Stat. 427; and Pub. L. 94-455, title XIX, §1906(b)(13)(B), Oct. 4, 1976, 90 Stat. 1834, cited as credits to this section, were repealed by Pub. L. 97-258, §5(b), Sept. 13, 1982, 96 Stat. 1079, 1080, 1082.

#### SAVINGS PROVISION

Pub. L. 86-368, §4, Sept. 22, 1959, 73 Stat. 649, provided that the position of Assistant General Counsel serving as Chief Counsel of the Internal Revenue Service was abolished as of the time that the Chief Counsel for the Internal Revenue Service appointed pursuant to the amendment to this section by Pub. L. 86-368, took office, but that Pub. L. 86-368 was not to be construed to otherwise abolish, terminate, or change any office or position, or employment of any officer or employee existing immediately preceding Sept. 22, 1959, and that any delegation of authority pursuant to Reorg. Plan No. 26 of 1950 or Reorg. Plan No. 2 of 1952 including any redelegation of authority, in effect immediately preceding Sept. 22, 1959, was to remain in effect unless distinctly inconsistent or manifestly incompatible with the amendment made to this section by Pub. L. 86-368.

#### TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Bureau of Alcohol, Tobacco and Firearms, including the related functions of the Secretary of the Treasury, to the Department of Justice, see section 531(c) of Title 6, Domestic Security, and section 599A(c)(1) of Title 28, Judiciary and Judicial Procedure.

#### ORDER OF SUCCESSION

For order of succession during any period when both Secretary and Deputy Secretary of the Treasury are unable to perform functions and duties of office of Secretary, see Ex. Ord. No. 13246, Dec. 18, 2001, 66 F.R. 66270, listed in a table under section 3345 of Title 5, Government Organization and Employees.

#### IRS REPORTS ON INFORMATION TECHNOLOGY INVESTMENTS

Pub. L. 112-74, div. C, title I, Dec. 23, 2011, 125 Stat. 888, provided in part: “That not later than 14 days after the end of each quarter of each fiscal year, the Internal Revenue Service shall submit a report to the House and Senate Committees on Appropriations and the Comptroller General of the United States detailing the cost and schedule performance for its major information technology investments, including the purpose and life-cycle stages of the investments; the reasons for any cost and schedule variances; the risks of such investments and strategies the Internal Revenue Service is using to mitigate such risks; and the expected developmental milestones to be achieved and costs to be incurred in the next quarter”.

Pub. L. 112-74, div. C, title I, Dec. 23, 2011, 125 Stat. 889, provided in part: “That not later than 14 days after the end of each quarter of each fiscal year, the Internal Revenue Service shall submit a report to the House and Senate Committees on Appropriations and the Comptroller General of the United States detailing the cost and schedule performance for CADE2 and Modernized e-File information technology investments, including the purposes and life-cycle stages of the investments; the reasons for any cost and schedule variances; the risks of such investments and the strategies the Internal Revenue Service is using to mitigate such risks; and the expected developmental milestones to be achieved and costs to be incurred in the next quarter.”

#### ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS

Pub. L. 107-16, title VI, §620, June 7, 2001, 115 Stat. 110, related to elimination of user fees for certain requests to the Internal Revenue Service regarding pension plans, prior to repeal by Pub. L. 108-89, title II, §202(b)(3), Oct. 1, 2003, 117 Stat. 1133.

#### ITEMIZED INCOME TAX RECEIPT

Pub. L. 106-58, title VI, §650, Sept. 29, 1999, 113 Stat. 479, as amended by Pub. L. 110-234, title IV, §4002(b)(1)(D), (2)(P), May 22, 2008, 110 Stat. 1096, 1097; Pub. L. 110-246, §4(a), title IV, §4002(b)(1)(D), (2)(P), June 18, 2008, 122 Stat. 1664, 1857, 1858, provided that:

“(a) IN GENERAL.—Not later than April 15, 2000, the Secretary of the Treasury shall establish an interactive program on an Internet website where any taxpayer may generate an itemized receipt showing a proportionate allocation (in money terms) of the taxpayer's total tax payments among the major expenditure categories.

“(b) INFORMATION NECESSARY TO GENERATE RECEIPT.—For purposes of generating an itemized receipt under subsection (a), the interactive program—

“(1) shall only require the input of the taxpayer's total tax payments; and

“(2) shall not require any identifying information relating to the taxpayer.

“(c) TOTAL TAX PAYMENTS.—For purposes of this section, total tax payments of an individual for any taxable year are—

“(1) the tax imposed by subtitle A of the Internal Revenue Code of 1986 for such taxable year (as shown on his return); and

“(2) the tax imposed by section 3101 of such Code on wages received during such taxable year.

“(d) CONTENT OF TAX RECEIPT.—

“(1) MAJOR EXPENDITURE CATEGORIES.—For purposes of subsection (a), the major expenditure categories are:

- “(A) National defense.
- “(B) International affairs.
- “(C) Medicaid.
- “(D) Medicare.
- “(E) Means-tested entitlements.
- “(F) Domestic discretionary.
- “(G) Social Security.
- “(H) Interest payments.
- “(I) All other.

“(2) Other items on receipt.—

“(A) IN GENERAL.—In addition, the tax receipt shall include selected examples of more specific expenditure items, including the items listed in subparagraph (B), either at the budget function, sub-function, or program, project, or activity levels, along with any other information deemed appropriate by the Secretary of the Treasury and the Director of the Office of Management and Budget to enhance taxpayer understanding of the Federal budget.

“(B) LISTED ITEMS.—The expenditure items listed in this subparagraph are as follows:

- “(i) Public schools funding programs.
- “(ii) Student loans and college aid.
- “(iii) Low-income housing programs.
- “(iv) supplemental [sic] nutrition assistance program benefits and welfare programs.
- “(v) Law enforcement, including the Federal Bureau of Investigation, law enforcement grants to the States, and other Federal law enforcement personnel.
- “(vi) Infrastructure, including roads, bridges, and mass transit.
- “(vii) Farm subsidies.
- “(viii) Congressional Member and staff salaries.
- “(ix) Health research programs.
- “(x) Aid to the disabled.
- “(xi) Veterans health care and pension programs.
- “(xii) Space programs.
- “(xiii) Environmental cleanup programs.
- “(xiv) United States embassies.
- “(xv) Military salaries.
- “(xvi) Foreign aid.
- “(xvii) Contributions to the North Atlantic Treaty Organization.
- “(xviii) Amtrak.
- “(xix) United States Postal Service.

“(e) COST.—No charge shall be imposed to cover any cost associated with the production or distribution of the tax receipt.

“(f) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as may be necessary to carry out this section.”

[Pub. L. 110-234, §4002(b)(1)(D), (2)(P), and Pub. L. 110-246, §4002(b)(1)(D), (2)(P), which directed identical amendment of Pub. L. 106-58, §650, set out above, by substituting “supplemental nutrition assistance program benefits” for “food stamp” wherever appearing, was executed by making the substitution for “Food stamp” in subsec. (d)(2)(B)(iv), to reflect the probable intent of Congress. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.]

REORGANIZATION OF INTERNAL REVENUE SERVICE

Pub. L. 105-206, title I, §1001, July 22, 1998, 112 Stat. 689, provided that:

“(a) IN GENERAL.—The Commissioner of Internal Revenue shall develop and implement a plan to reorganize the Internal Revenue Service. The plan shall—

“(1) supersede any organization or reorganization of the Internal Revenue Service based on any statute or reorganization plan applicable on the effective date of this section;

“(2) eliminate or substantially modify the existing organization of the Internal Revenue Service which is based on a national, regional, and district structure;

“(3) establish organizational units serving particular groups of taxpayers with similar needs; and

“(4) ensure an independent appeals function within the Internal Revenue Service, including the prohibi-

tion in the plan of ex parte communications between appeals officers and other Internal Revenue Service employees to the extent that such communications appear to compromise the independence of the appeals officers.

“(b) SAVINGS PROVISIONS.—

“(1) PRESERVATION OF SPECIFIC TAX RIGHTS AND REMEDIES.—Nothing in the plan developed and implemented under subsection (a) shall be considered to impair any right or remedy, including trial by jury, to recover any internal revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority, or any sum alleged to have been excessive or in any manner wrongfully collected under the internal revenue laws. For the purpose of any action to recover any such tax, penalty, or sum, all statutes, rules, and regulations referring to the collector of internal revenue, the principal officer for the internal revenue district, or the Secretary, shall be deemed to refer to the officer whose act or acts referred to in the preceding sentence gave rise to such action. The venue of any such action shall be the same as under existing law.

“(2) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

“(A) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of any function transferred or affected by the reorganization of the Internal Revenue Service or any other administrative unit of the Department of the Treasury under this section; and

“(B) which are in effect at the time this section takes effect, or were final before the effective date of this section and are to become effective on or after the effective date of this section,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary of the Treasury, the Commissioner of Internal Revenue, or other authorized official, a court of competent jurisdiction, or by operation of law.

“(3) PROCEEDINGS NOT AFFECTED.—The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of the Treasury (or any administrative unit of the Department, including the Internal Revenue Service) at the time this section takes effect, with respect to functions transferred or affected by the reorganization under this section but such proceedings and applications shall continue. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

“(4) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

“(5) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of the Treasury (or any administrative unit

of the Department, including the Internal Revenue Service), or by or against any individual in the official capacity of such individual as an officer of the Department of the Treasury, shall abate by reason of the enactment of this section.

“(6) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Department of the Treasury (or any administrative unit of the Department, including the Internal Revenue Service) relating to a function transferred or affected by the reorganization under this section may be continued by the Department of the Treasury through any appropriate administrative unit of the Department, including the Internal Revenue Service with the same effect as if this section had not been enacted.

“(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act [July 22, 1998].”

#### INTERNAL REVENUE SERVICE MISSION TO FOCUS ON TAXPAYERS' NEEDS

Pub. L. 105-206, title I, § 1002, July 22, 1998, 112 Stat. 690, provided that: “The Internal Revenue Service shall review and restate its mission to place a greater emphasis on serving the public and meeting taxpayers' needs.”

#### EXPLANATION OF JOINT AND SEVERAL LIABILITY

Pub. L. 105-206, title III, § 3501, July 22, 1998, 112 Stat. 770, provided that:

“(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act [July 22, 1998], establish procedures to clearly alert married taxpayers of their joint and several liabilities on all appropriate publications and instructions.

“(b) RIGHT TO LIMIT LIABILITY.—The procedures under subsection (a) shall include requirements that notice of an individual's right to relief under section 6015 of the Internal Revenue Code of 1986 shall be included in the statement required by section 6227 of the Omnibus Taxpayer Bill of Rights [Pub. L. 100-647, set out below] (Internal Revenue Service Publication No. 1) and in any collection-related notices.”

#### EXPLANATION OF TAXPAYERS' RIGHTS IN INTERVIEWS WITH INTERNAL REVENUE SERVICE

Pub. L. 105-206, title III, § 3502, July 22, 1998, 112 Stat. 770, provided that: “The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act [July 22, 1998], revise the statement required by section 6227 of the Omnibus Taxpayer Bill of Rights [Pub. L. 100-647, set out below] (Internal Revenue Service Publication No. 1) to more clearly inform taxpayers of their rights—

“(1) to be represented at interviews with the Internal Revenue Service by any person authorized to practice before the Internal Revenue Service; and

“(2) to suspend an interview pursuant to section 7521(b)(2) of the Internal Revenue Code of 1986.”

#### DISCLOSURE OF CRITERIA FOR EXAMINATION SELECTION

Pub. L. 105-206, title III, § 3503, July 22, 1998, 112 Stat. 771, provided that:

“(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act [July 22, 1998], incorporate into the statement required by section 6227 of the Omnibus Taxpayer Bill of Rights [Pub. L. 100-647, set out below] (Internal Revenue Service Publication No. 1) a statement which sets forth in simple and nontechnical terms the criteria and procedures for selecting taxpayers for examination. Such statement shall not include any information the disclosure of which would be detrimental to

law enforcement, but shall specify the general procedures used by the Internal Revenue Service, including whether taxpayers are selected for examination on the basis of information available in the media or on the basis of information provided to the Internal Revenue Service by informants.

“(b) TRANSMISSION TO COMMITTEES OF CONGRESS.—The Secretary shall transmit drafts of the statement required under subsection (a) (or proposed revisions to any such statement) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the same day.”

#### DISCLOSURE TO TAXPAYERS

Pub. L. 105-206, title III, § 3508, July 22, 1998, 112 Stat. 772, provided that: “The Secretary of the Treasury or the Secretary's delegate shall ensure that any instructions booklet accompanying an individual Federal income tax return form (including forms 1040, 1040A, 1040EZ, and any similar or successor forms) shall include, in clear language, in conspicuous print, and in a conspicuous place, a concise description of the conditions under which return information may be disclosed to any party outside the Internal Revenue Service, including disclosure to any State or agency, body, or commission (or legal representative) thereof.”

#### INTERNAL REVENUE SERVICE EMPLOYEE CONTACTS

Pub. L. 105-206, title III, § 3705, July 22, 1998, 112 Stat. 777, provided that:

“(a) NOTICE.—The Secretary of the Treasury or the Secretary's delegate shall provide that—

“(1) any manually generated correspondence received by a taxpayer from the Internal Revenue Service shall include in a prominent manner the name, telephone number, and unique identifying number of an Internal Revenue Service employee the taxpayer may contact with respect to the correspondence;

“(2) any other correspondence or notice received by a taxpayer from the Internal Revenue Service shall include in a prominent manner a telephone number that the taxpayer may contact; and

“(3) an Internal Revenue Service employee shall give a taxpayer during a telephone or personal contact the employee's name and unique identifying number.

“(b) SINGLE CONTACT.—The Secretary of the Treasury or the Secretary's delegate shall develop a procedure under which, to the extent practicable and if advantageous to the taxpayer, one Internal Revenue Service employee shall be assigned to handle a taxpayer's matter until it is resolved.

“(c) TELEPHONE HELPLINE IN SPANISH.—The Secretary of the Treasury or the Secretary's delegate shall provide, in appropriate circumstances, that taxpayer questions on telephone helplines of the Internal Revenue Service are answered in Spanish.

“(d) OTHER TELEPHONE HELPLINE OPTIONS.—The Secretary of the Treasury or the Secretary's delegate shall provide, in appropriate circumstances, on telephone helplines of the Internal Revenue Service an option for any taxpayer to talk to an Internal Revenue Service employee during normal business hours. The person shall direct phone questions of the taxpayer to other Internal Revenue Service personnel who can provide assistance to the taxpayer.

“(e) EFFECTIVE DATES.—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, this section shall take effect 60 days after the date of the enactment of this Act [July 22, 1998].

“(2) SUBSECTION (c).—Subsection (c) shall take effect on January 1, 2000.

“(3) SUBSECTION (d).—Subsection (d) shall take effect on January 1, 2000.

“(4) UNIQUE IDENTIFYING NUMBER.—Any requirement under this section to provide a unique identifying number shall take effect 6 months after the date of the enactment of this Act [July 22, 1998].”

LISTING OF LOCAL INTERNAL REVENUE SERVICE  
TELEPHONE NUMBERS AND ADDRESSES

Pub. L. 105-206, title III, §3709, July 22, 1998, 112 Stat. 779, provided that: "The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, provide that the local telephone numbers and addresses of Internal Revenue Service offices located in any particular area be listed in a telephone book for that area."

STUDY OF NONCOMPLIANCE WITH INTERNAL REVENUE  
LAWS BY TAXPAYERS

Pub. L. 105-206, title III, §3803, July 22, 1998, 112 Stat. 783, provided that: "Not later than 1 year after the date of the enactment of this Act [July 22, 1998], the Secretary of the Treasury and the Commissioner of Internal Revenue shall jointly conduct a study, in consultation with the Joint Committee on Taxation, of the non-compliance with internal revenue laws by taxpayers (including willful noncompliance and noncompliance due to tax law complexity or other factors) and report the findings of such study to Congress."

TAX LAW COMPLEXITY ANALYSIS; COMMISSIONER STUDY

Pub. L. 105-206, title IV, §4022(a), July 22, 1998, 112 Stat. 785, provided that:

"(1) IN GENERAL.—The Commissioner of Internal Revenue shall conduct each year after 1998 an analysis of the sources of complexity in administration of the Federal tax laws. Such analysis may include an analysis of—

"(A) questions frequently asked by taxpayers with respect to return filing;

"(B) common errors made by taxpayers in filling out their returns;

"(C) areas of law which frequently result in disagreements between taxpayers and the Internal Revenue Service;

"(D) major areas of law in which there is no (or incomplete) published guidance or in which the law is uncertain;

"(E) areas in which revenue officers make frequent errors interpreting or applying the law;

"(F) the impact of recent legislation on complexity; and

"(G) forms supplied by the Internal Revenue Service, including the time it takes for taxpayers to complete and review forms, the number of taxpayers who use each form, and how recent legislation has affected the time it takes to complete and review forms.

"(2) REPORT.—The Commissioner shall not later than March 1 of each year report the results of the analysis conducted under paragraph (1) for the preceding year to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. The report shall include any recommendations—

"(A) for reducing the complexity of the administration of Federal tax laws; and

"(B) for repeal or modification of any provision the Commissioner believes adds undue and unnecessary complexity to the administration of the Federal tax laws."

NATIONAL COMMISSION ON RESTRUCTURING INTERNAL  
REVENUE SERVICE

Pub. L. 104-52, title VI, §637, Nov. 19, 1995, 109 Stat. 509, as amended by Pub. L. 104-134, title II, §2904(a), Apr. 26, 1996, 110 Stat. 1321-333; Pub. L. 104-208, div. A, title I, §101(f) [title VI, §643(a)-(e)], Sept. 30, 1996, 110 Stat. 3009-314, 3009-365, provided that:

"(a) FINDINGS.—The Congress finds the following:

"(1) While the budget for the Internal Revenue Service (hereafter referred to as the 'IRS') has risen from \$2.5 billion in fiscal year 1979 to \$7.3 billion in fiscal year 1996, tax returns processing has not become significantly faster, tax collection rates have not significantly increased, and the accuracy and timeliness of taxpayer assistance has not significantly improved.

"(2) To date, the Tax Systems Modernization (TSM) program has cost the taxpayers \$2.5 billion, with an estimated cost of \$8 billion. Despite this investment, modernization efforts were recently described by the GAO as 'chaotic' and 'ad hoc'.

"(3) While the IRS maintains that TSM will increase efficiency and thus revenues, Congress has had to appropriate additional funds in recent years for compliance initiatives in order to increase tax revenues.

"(4) Because TSM has not been implemented, the IRS continues to rely on paper returns, processing a total of 14 billion pieces of paper every tax season. This results in an extremely inefficient system.

"(5) This lack of efficiency reduces the level of customer service and impedes the ability of the IRS to collect revenue.

"(6) The present status of the IRS shows the need for the establishment of a Commission which will examine the organization of IRS and recommend actions to expedite the implementation of TSM and improve service to taxpayers.

"(b) COMPOSITION OF THE COMMISSION.—

"(1) ESTABLISHMENT.—To carry out the purposes of this section, there is established a National Commission on Restructuring the Internal Revenue Service (in this section referred to as the 'Commission').

"(2) COMPOSITION.—The Commission shall be composed of seventeen members, as follows:

"(A) Five members appointed by the President, two from the executive branch of the Government, two from private life, and one from an organization that represents a substantial number of Internal Revenue Service employees.

"(B) Four members appointed by the Majority Leader of the Senate, one from Members of the Senate and three from private life.

"(C) Two members appointed by the Minority Leader of the Senate, one from Members of the Senate and one from private life.

"(D) Four members appointed by the Speaker of the House of Representatives, one from Members of the House of Representatives and three from private life.

"(E) Two members appointed by the Minority Leader of the House of Representatives, one from Members of the House of Representatives and one from private life.

"The Commissioner of the Internal Revenue Service shall be an ex officio member of the Commission.

"(3) CO-CHAIRS.—The Commission shall elect Co-Chairs from among its members.

"(4) MEETING; QUORUM; VACANCIES.—After its initial meeting, the Commission shall meet upon the call of the Co-Chairs or a majority of its members. Nine members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(5) APPOINTMENT; INITIAL MEETING.—

"(A) APPOINTMENT.—It is the sense of the Congress that members of the Committee [Commission] should be appointed not more than 60 days after the date of the enactment of this section [Nov. 19, 1995].

"(B) INITIAL MEETING.—If, after 60 days from the date of the enactment of this section, seven or more members of the Commission have been appointed, members who have been appointed may meet and select Co-Chairs who thereafter shall have the authority to begin the operations of the Commission, including the hiring of staff.

"(c) FUNCTIONS OF COMMISSION.—

"(1) IN GENERAL.—The functions of the Commission shall be—

"(A) to conduct, for a period of not to exceed 15 months from the date of its first meeting, the review described in paragraph (2), and

"(B) to submit to the Congress a final report of the results of the review, including recommendations for restructuring the IRS.

“(2) REVIEW.—The Commission shall review—

“(A) the present practices of the IRS, especially with respect to—

“(i) its organizational structure;

“(ii) its paper processing and return processing activities;

“(iii) its infrastructure; and

“(iv) the collection process;

“(B) requirements for improvement in the following areas:

“(i) making returns processing ‘paperless’;

“(ii) modernizing IRS operations;

“(iii) improving the collections process without major personnel increases or increased funding;

“(iv) improving taxpayer accounts management;

“(v) improving the accuracy of information requested by taxpayers in order to file their returns; and

“(vi) changing the culture of the IRS to make the organization more efficient, productive, and customer-oriented;

“(C) whether the IRS could be replaced with a quasi-governmental agency with tangible incentives and internally managing its programs and activities and for modernizing its activities, and

“(D) whether the IRS could perform other collection, information, and financial service functions of the Federal Government.

“(d) POWERS OF THE COMMISSION.—

“(1) IN GENERAL.—(A) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this section—

“(i) hold such hearings and sit and act at such times and places, take such testimony, receive such evidence, administer such oaths, and

“(ii) require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as the Commission or such designated subcommittee or designated member may deem advisable.

“(B) Subpoenas issued under subparagraph (A)(ii) may be issued under the signature of the Co-Chairs of the Commission, the chairman of any designated subcommittee, or any designated member, and may be served by any person designated by such Co-Chairs, subcommittee chairman, or member. The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192–194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

“(2) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in appropriation Acts, enter into contracts to enable the Commission to discharge its duties under this section.

“(3) INFORMATION FROM FEDERAL AGENCIES.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Government, information, suggestions, estimates, and statistics for the purposes of this section. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Co-Chairs.

“(4) ASSISTANCE FROM FEDERAL AGENCIES.—(A) The Secretary of the Treasury is authorized on a non-reimbursable basis to provide the Commission with administrative services, funds, facilities, staff, and other support services for the performance of the Commission’s functions.

“(B) The Administrator of General Services shall provide to the Commission on a nonreimbursable basis such administrative support services as the Commission may request.

“(C) In addition to the assistance set forth in subparagraphs (A) and (B), departments and agencies of the United States are authorized to provide to the Commission such services, funds, facilities, staff, and other support services as they may deem advisable and as may be authorized by law.

“(5) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

“(6) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property in carrying out its duties under this section.

“(e) STAFF OF THE COMMISSION.—

“(1) IN GENERAL.—The Co-Chairs, in accordance with rules agreed upon by the Commission, may appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code. Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

“(2) CONSULTANT SERVICES.—The Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

“(f) COMPENSATION AND TRAVEL EXPENSES.—

“(1) COMPENSATION.—(A) Except as provided in subparagraph (B), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission.

“(B) Members of the Commission who are officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Commission.

“(2) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

“(g) FINAL REPORT OF COMMISSION; TERMINATION.—

“(1) FINAL REPORT.—Not later than 15 months after the date of the first meeting of the Commission, the Commission shall submit to the Congress its final report, as described in subsection (c)(2).

“(2) TERMINATION.—(A) The Commission, and all the authorities of this section, shall terminate on the date which is 60 days after the date on which a final report is required to be transmitted under paragraph (1).

“(B) The Commission may use the 60-day period referred to in subparagraph (A) for the purpose of concluding its activities, including providing testimony to committees of Congress concerning its final report and disseminating that report.

“(h) AUTHORIZATION OF APPROPRIATIONS.—Such sums as may be necessary are authorized to be appropriated for the activities of the Commission.

“(i) APPROPRIATIONS.—Notwithstanding any other provision of this Act, \$1,000,000 shall be available from

fiscal year 1996 funds appropriated to the Internal Revenue Service, 'Information systems' account, for the activities of the Commission, to remain available until expended."

[Pub. L. 104-208, div. A, title I, §101(f) [title VI, §643(f)], Sept. 30, 1996, 110 Stat. 3009-314, 3009-366, provided that: "The amendments made by this section [amending section 637 of Pub. L. 104-52, set out above] shall take effect as if included in the provisions of the Treasury, Postal Service, and General Government Appropriations Act, 1996 [Pub. L. 104-52]."]

[Pub. L. 104-134, title II, §2904(b), Apr. 26, 1996, 110 Stat. 1321-333, provided that: "The amendments made by this section [amending section 637 of Pub. L. 104-52, set out above] shall take effect as if included in the provisions of the Treasury, Postal Service, and General Government Appropriations Act, 1996 [Pub. L. 104-52]."]

#### FEES FOR SERVICES RENDERED

Pub. L. 103-329, title I, §3, Sept. 30, 1994, 108 Stat. 2388, as amended by Pub. L. 104-19, title I, July 27, 1995, 109 Stat. 227; Pub. L. 109-115, div. A, title II, §209, Nov. 30, 2005, 119 Stat. 2439, provided that: "The Secretary of the Treasury may establish new fees or raise existing fees for services provided by the Internal Revenue Service to increase receipts, where such fees are authorized by another law. The Secretary of the Treasury may spend the new or increased fee receipts to supplement appropriations made available to the Internal Revenue Service appropriations accounts in fiscal years 1995 and thereafter: *Provided*, That the Secretary shall base such fees on the costs of providing specified services to persons paying such fees: *Provided further*, That the Secretary shall provide quarterly reports to the Congress on the collection of such fees and how they are being expended by the Service."

#### DISCLOSURE OF RIGHTS OF TAXPAYERS

Pub. L. 100-647, title VI, §6227, Nov. 10, 1988, 102 Stat. 3731, provided that:

"(a) IN GENERAL.—The Secretary of the Treasury shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act [Nov. 10, 1988], prepare a statement which sets forth in simple and nontechnical terms—

"(1) the rights of a taxpayer and the obligations of the Internal Revenue Service (hereinafter in this section referred to as the 'Service') during an audit;

"(2) the procedures by which a taxpayer may appeal any adverse decision of the Service (including administrative and judicial appeals);

"(3) the procedures for prosecuting refund claims and filing of taxpayer complaints; and

"(4) the procedures which the Service may use in enforcing the internal revenue laws (including assessment, jeopardy assessment, levy and distraint, and enforcement of liens).

"(b) TRANSMISSION TO COMMITTEES OF CONGRESS.—The Secretary of the Treasury shall transmit drafts of the statement required under subsection (a) (or proposed revisions of any such statement) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day.

"(c) DISTRIBUTION.—The statement prepared in accordance with subsections (a) and (b) shall be distributed by the Secretary of the Treasury to all taxpayers the Secretary contacts with respect to the determination or collection of any tax (other than by providing tax forms). The Secretary shall take such actions as the Secretary deems necessary to ensure that such distribution does not result in multiple statements being sent to any one taxpayer."

#### FEES FOR REQUESTS FOR RULING, DETERMINATION, AND SIMILAR LETTERS

Pub. L. 100-203, title X, §10511, Dec. 22, 1987, 101 Stat. 1330-446, as amended by Pub. L. 101-508, title XI, §11319(a), Nov. 5, 1990, 104 Stat. 1388-460; Pub. L. 103-465,

title VII, §743, Dec. 8, 1994, 108 Stat. 5011; Pub. L. 104-117, §2, Mar. 20, 1996, 110 Stat. 828, related to program requiring the payment of user fees for certain requests to the Internal Revenue Service, prior to repeal by Pub. L. 108-89, title II, §202(b)(2), Oct. 1, 2003, 117 Stat. 1133.

#### STUDY OF TAX INCENTIVES FOR EXPENDITURES REQUIRED BY OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION AND MINING HEALTH AND SAFETY ADMINISTRATION

Pub. L. 95-600, title V, §552, Nov. 6, 1978, 92 Stat. 2891, authorized the Secretary of the Treasury to conduct an investigation into the appropriateness of providing additional tax incentives for expenditures required by the Occupational Safety and Health Act, section 651 et seq. of Title 29, Labor, and the Mining Safety and Health Administration of the Department of Labor and to submit a report on such investigation to Congress before Apr. 1, 1979, together with any legislative recommendations.

#### STUDY OF TAXATION OF NONRESIDENT ALIEN REAL ESTATE TRANSACTIONS IN THE UNITED STATES

Pub. L. 95-600, title V, §553, Nov. 6, 1978, 92 Stat. 2891, authorized the Secretary of the Treasury to make a study of the appropriate tax treatment to be given to income derived from, or gain realized on, the sale of interests in United States property held by nonresident aliens or foreign corporations and to submit a report on such study to Congress no later than six months from Nov. 6, 1978, together with any recommendations.

#### STUDY AND INVESTIGATION OF INTERNAL REVENUE CODE PROVISIONS WHICH IMPEDE OR DISCOURAGE RECYCLING OF SOLID WASTE MATERIALS; PRESIDENTIAL AND CONGRESSIONAL REPORT

Pub. L. 94-568, §4, Oct. 20, 1976, 90 Stat. 2698, provided that the Secretary of the Treasury, in cooperation with the Administrator of the Environmental Protection Agency, make a complete study of all provisions of the Internal Revenue Code of 1954 which impeded or discouraged the recycling of solid waste materials and to report to the President and Congress, not later than Apr. 20, 1977, his findings, together with specific legislative proposals designed to increase and encourage the recycling of solid waste materials and detailed revenue cost estimates.

#### EX. ORD. NO. 13051. INTERNAL REVENUE SERVICE MANAGEMENT BOARD

Ex. Ord. No. 13051, June 24, 1997, 62 F.R. 34609, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including 31 U.S.C. 301 and 26 U.S.C. 7801(a), and in order to establish a permanent oversight board to assist the Secretary of the Treasury ("Secretary") in ensuring effective management of the Internal Revenue Service, it is hereby ordered as follows:

SECTION 1. *Establishment.* (a) There is hereby established within the Department of the Treasury the Internal Revenue Service Management Board ("Board").

(b) The Board shall consist of:

(1) the Deputy Secretary of the Treasury, who shall serve as Chair of the Board;

(2) the Assistant Secretary of the Treasury (Management) and the Chief Financial Officer, who shall serve as Vice Chairs;

(3) the Assistant Secretary of the Treasury (Tax Policy);

(4) the Under Secretary of the Treasury (Enforcement);

(5) the Deputy Assistant Secretary of the Treasury (Departmental Finance and Management);

(6) the Deputy Assistant Secretary of the Treasury (Information Systems)/Chief Information Officer;

(7) the Assistant Secretary of the Treasury (Legislative Affairs and Public Liaison);

(8) the General Counsel for the Department of the Treasury;

(9) the Director, Office of Security, Department of the Treasury;

(10) the Senior Procurement Executive for the Department of the Treasury;

(11) the Commissioner of Internal Revenue;

(12) the Deputy Commissioner of Internal Revenue;

(13) the Associate Commissioner of Internal Revenue for Modernization/Chief Information Officer of the Internal Revenue Service;

(14) the Deputy Director for Management, Office of Management and Budget;

(15) the Administrator for Federal Procurement Policy, Office of Management and Budget;

(16) a representative of the Office of the Vice President designated by the Vice President;

(17) a representative of the Office of Management and Budget designated by the Director of such office;

(18) a representative of the Office of Personnel Management designated by the Director of such office;

(19) representatives of such other Government agencies as may be determined from time to time by the Secretary of the Treasury, designated by the head of such agency; and

(20) such other officers or employees of the Department of the Treasury as may be designated by the Secretary.

(c) A member of the Board described in paragraphs (16) through (20) of subsection (b) may be removed by the official who designated such member.

(d) The Board may seek the views, consistent with 18 U.S.C. 205, of Internal Revenue Service employee representatives on matters considered by the Board under section 3 of this order.

**SEC. 2. Structure.** There shall be an Executive Committee of the full Board, the members of which shall be appointed by the Secretary.

**SEC. 3. Functions.** (a) The Board shall directly support the Secretary's oversight of the management and operation of the Internal Revenue Service. This includes:

(1) working through the Deputy Secretary, assisting the Secretary on the full range of high-level management issues and concerns affecting the Internal Revenue Service, particularly those that have a significant impact on operations, modernization, and customer service.

(2) acting through the Executive Committee, serving as the primary review for strategic decisions concerning modernization of the Internal Revenue Service, including modernization direction, strategy, significant reorganization plans, performance metrics, budgetary issues, major capital investments, and compensation of personnel.

(b) The Board shall meet at least monthly and shall prescribe such bylaws or procedures as the Board deems appropriate.

(c) The Board shall prepare semiannual reports to the President and to the Congress, which shall be transmitted by the Secretary of the Treasury.

**SEC. 4. Administration.** To the extent permitted by law and subject to the availability of appropriations, the Secretary shall provide the Board administrative services, facilities, staff, and such other financial support services as may be necessary for the performance of its functions under this order.

**SEC. 5. Judicial Review.** This order is intended only to improve the internal management of the Internal Revenue Service and is not intended, and shall not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or its employees.

WILLIAM J. CLINTON.

## § 7802. Internal Revenue Service Oversight Board

### (a) Establishment

There is established within the Department of the Treasury the Internal Revenue Service Over-

sight Board (hereafter in this subchapter referred to as the "Oversight Board").

### (b) Membership

#### (1) Composition

The Oversight Board shall be composed of nine members, as follows:

(A) six members shall be individuals who are not otherwise Federal officers or employees and who are appointed by the President, by and with the advice and consent of the Senate.

(B) one member shall be the Secretary of the Treasury or, if the Secretary so designates, the Deputy Secretary of the Treasury.

(C) one member shall be the Commissioner of Internal Revenue.

(D) one member shall be an individual who is a full-time Federal employee or a representative of employees and who is appointed by the President, by and with the advice and consent of the Senate.

#### (2) Qualifications and terms

##### (A) Qualifications

Members of the Oversight Board described in paragraph (1)(A) shall be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in one or more of the following areas:

- (i) Management of large service organizations.
- (ii) Customer service.
- (iii) Federal tax laws, including tax administration and compliance.
- (iv) Information technology.
- (v) Organization development.
- (vi) The needs and concerns of taxpayers.
- (vii) The needs and concerns of small businesses.

In the aggregate, the members of the Oversight Board described in paragraph (1)(A) should collectively bring to bear expertise in all of the areas described in the preceding sentence.

##### (B) Terms

Each member who is described in subparagraph (A) or (D) of paragraph (1) shall be appointed for a term of 5 years, except that of the members first appointed under paragraph (1)(A)—

- (i) two members shall be appointed for a term of 3 years,
- (ii) two members shall be appointed for a term of 4 years, and
- (iii) two members shall be appointed for a term of 5 years.

##### (C) Reappointment

An individual who is described in subparagraph (A) or (D) of paragraph (1) may be appointed to no more than two 5-year terms on the Oversight Board.

##### (D) Vacancy

Any vacancy on the Oversight Board shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring before the expiration of