

Approved: September 3, 1999.

Garrick R. Shear,

IRS Reports Clearance Officer.

[FR Doc. 99-23786 Filed 9-10-99; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for Form 8820

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Pub. L. 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Form 8820, Orphan Drug Credit.

DATES: Written comments should be received on or before November 12, 1999 to be assured of consideration.

ADDRESSES: Direct all written comments to Garrick R. Shear, Internal Revenue Service, room 5244, 1111 Constitution Avenue NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form(s) and instructions should be directed to Carol Savage, (202) 622-3945, Internal Revenue Service, room 5242, 1111 Constitution Avenue NW., Washington, DC 20224.

SUPPLEMENTARY INFORMATION:

Title: Orphan Drug Credit.

OMB Number: 1545-1505.

Form Number: 8820.

Abstract: Filers use this form to elect to claim the orphan drug credit, which is 50% of the qualified clinical testing expenses paid or incurred with respect to low or unprofitable drugs for rare diseases and conditions, as designated under section 526 of the Federal Food, Drug, and Cosmetic Act.

Current Actions: There are no changes being made to the form at this time.

Type of Review: Extension of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents: 100.

Estimated Time Per Respondent: 9 hours, 39 minutes.

Estimated Total Annual Burden Hours: 965.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Request for Comments

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: September 2, 1999.

Garrick R. Shear,

IRS Reports Clearance Officer.

[FR Doc. 99-23788 Filed 9-10-99; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[REG-209817-96]

Proposed Collection; Comment Request For Regulation Project

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Pub.

L. 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning an existing notice of proposed rulemaking, REG-209817-96, Treatment of Obligation-Shifting Transactions (§ 1.7701(l)-2).

DATES: Written comments should be received on or before November 12, 1999 to be assured of consideration.

ADDRESSES: Direct all written comments to Garrick R. Shear, Internal Revenue Service, room 5244, 1111 Constitution Avenue NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the regulation should be directed to Carol Savage, (202) 622-3945, Internal Revenue Service, room 5242, 1111 Constitution Avenue NW., Washington, DC 20224.

SUPPLEMENTARY INFORMATION:

Title: Treatment of Obligation-Shifting Transactions.

OMB Number: 1545-1515.

Regulation Project Number: REG-209817-96.

Abstract: This regulation relates to the treatment of certain multiple-party financing transactions in which one party realizes income from leases or similar agreements and another party claims deductions related to that income. In order to prevent tax avoidance, this regulation recharacterizes these transactions in a manner that clearly reflects income. The regulation affects only persons that engage in these transactions. The regulation generally does not apply to routine transactions lacking characteristics of tax avoidance.

Current Actions: There is no change to this existing regulation.

Type of Review: Extension of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Recordkeepers: 100.

Estimated Time Per Recordkeeper: 5 hours.

Estimated Total Annual Recordkeeping Burden: 500.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Request for Comments

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: September 7, 1999.

Garrick R. Shear,

IRS Reports Clearance Officer.

[FR Doc. 99-23787 Filed 9-10-99; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Internal Revenue Service Pilot of an Electronic Transcript Delivery System

AGENCY: Internal Revenue Service (IRS), Department of the Treasury.

ACTION: Notice and Request for Public Comment on Internal Revenue Service Pilot of an Electronic Transcript Delivery System.

SUMMARY: The mission of the Electronic Tax Administration Office of the Department of the Treasury's Internal Revenue Service (IRS) is to revolutionize how taxpayers transact and communicate with the IRS. The IRS seeks comments on a program to automate provision of tax information to a third-party entity designated by the taxpayer. The IRS requests comments on various aspects of the piloting and implementation of this program, as well as specific questions concerning privacy, authentication, and security.

DATES: Comments must be received by October 13, 1999.

ADDRESSES: Mail written comments to: Electronic Transcript Delivery Pilot Project, Electronic Tax Administration, OP:ETA:E:P, Internal Revenue Service, Room C5-463, 5000 Ellin Road, Lanham, MD 20706.

Paper submissions should include three paper copies and a version on diskette in ASCII, Microsoft Word (please specify version), or WordPerfect (please specify version) format. Comments submitted in electronic form should be in ASCII, Microsoft Word (please specify version) or WordPerfect (please specify version) format to: www.*transcript@m1.irs.gov.

FOR FURTHER INFORMATION CONTACT: Elizabeth Kelley, IRS, (202) 283-1990.

SUPPLEMENTARY INFORMATION:

Background: The mission of the Electronic Tax Administration Office of the Department of the Treasury's Internal Revenue Service (IRS) is to revolutionize how taxpayers transact and communicate with the IRS.

Strategies to fulfill the mission include:

- Making electronic filing, payments, transactions and communications so simple, inexpensive, and trusted that taxpayers will prefer these to calling and mailing;
- Providing additional taxpayer access methods to products and services centering on electronic filing, payment, transaction, and communication products and services;
- Aggressively protecting transaction and information integrity and quality; and
- Seeking the best people, ideas and partners to assure IRS success.

In response to the IRS' Restructuring and Reform Act of 1998, the IRS has been tasked with increasing electronic communications and services to the public. One of the services provided by the IRS is to respond to over six (6) million requests annually from taxpayers requesting copies of paper tax returns, return transcripts (an electronic version of your submitted tax return), verification of non-filing and W-2s. Of the six (6) million, approximately two (2) million are from taxpayers requesting that their tax information be sent to a designated "third-party" entity. Examples of third-party entities include tax practitioners, financial institutions, the mortgage industry, colleges/universities and local, state, and federal government entities. The most frequent use of tax information by these third parties is to provide income verification for loans, grants, subsidies or other monetary guarantees, while tax practitioners assist taxpayers in resolving tax issues.

Chapter 61 of the Internal Revenue Code addresses the confidentiality and disclosure of returns and return information. Under Section 6103(e) (Disclosure of Persons Having Material Interest), a taxpayer has the right to obtain his/her tax return and/or most

return information held by the IRS that pertains to the taxpayer. Under Section 6103(c) (Disclosure of Returns and Return Information to Designee of Taxpayer), a taxpayer may designate a third-party recipient to receive his/her return or return information and may authorize the IRS to release that information to that third party.

The IRS uses Form 4506 "Request for Copy or Transcript of Tax Form" for taxpayers to request copies of return transcripts. The current process is as follows:

1. A taxpayer obtains a Form 4506. Form 4506 may be obtained from the IRS' website, an IRS office, or it may be presented to the taxpayer by the third party for the loan, grant, or subsidy application process.
2. The taxpayer completes the Form 4506 to authorize the IRS to release their tax information to a designated third party. Completing the Form 4506 includes signing and dating the Form 4506.
3. The taxpayer mails the completed, signed and dated form to the appropriate IRS Service Center. In cases where the third party has provided the Form 4506 to the taxpayer, the third party mails, or in some cases, delivers the Form 4506 to the appropriate IRS Service Center.
4. The IRS receives the Form 4506, routes it to the appropriate IRS function and retrieves the requested tax information.
5. The IRS mails the requested tax information to the taxpayer or to the third party designated by the taxpayer on the form.

Improving Customer Service

The IRS seeks to develop a process to automate the paper process of the Form 4506 for third-party requests. The system would electronically receive and process requests for disclosure of tax return information from a third-party entity authorized by individual taxpayers. To assist the IRS in final development of this program, the IRS seeks comments and feedback from taxpayers and the private and public sectors on access methods.

Since one third of the Form 4506 requests (over two (2) million annually) are taxpayers requesting their tax information be sent to a third party, the IRS seeks to improve customer service to the taxpayer by:

- (1) Accelerating Delivery Time. Currently, the receipt, processing and retrieval of the return information for a designated third party takes the IRS approximately seven (7) to ten (10) days, excluding the time it takes for the tax information to be mailed to the third