

maintenance, and purchase of services to provide information.

Approved: January 31, 2001.

**Garrick R. Shear,**

*IRS Reports Clearance Officer.*

[FR Doc. 01-3085 Filed 2-5-01; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

[TD 8223, TD 8432, and TD 8657]

#### 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, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning existing final and temporary regulations, TD 8223, Branch Tax; TD 8432, Branch Profits Tax; and TD 8657, Regulations on Effectively Connected Income and the Branch Profits Tax (§§ 1.884-1, 1.884-2, 1.884-2T, 1.884-4, 1.884-5).  
**DATES:** Written comments should be received on or before April 9, 2001 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 regulations should be directed to Carol Savage, (202) 622-3945, Internal Revenue Service, room 5242, 1111 Constitution Avenue NW., Washington, DC 20224.

#### SUPPLEMENTARY INFORMATION:

*Title:* TD 8223, Branch Tax; TD 8432, Branch Profits Tax; and TD 8657, Regulations on Effectively Connected Income and the Branch Profits Tax.

*OMB Number:* 1545-1070.

*Regulation Project Number:* TD 8223, TD 8432, and TD 8657.

*Abstract:* These regulations provide guidance on how to comply with Internal Revenue Code section 884, which imposes a tax on the earnings of a foreign corporation's branch that are

removed from the branch and which subjects interest paid by the branch, and certain interest deducted by the foreign corporation, to tax.

*Current Actions:* There is no change to these existing regulations.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations.

*Estimated Number of Respondents:* 28,500.

*Estimated Time Per Respondent:* 27 minutes.

*Estimated Total Annual Burden Hours:* 12,694.

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: January 31, 2001.

**Garrick R. Shear,**

*IRS Reports Clearance Officer.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Privacy Act of 1974, as Amended; System of Records

**AGENCY:** Internal Revenue Service, Treasury.

**ACTION:** Notice of proposed new system of records.

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, 5 U.S.C. 552a, as amended, the Department of the Treasury, Internal Revenue Service, gives notice of a proposed system of records entitled, "Employee Tax Compliance Records (ETC)—Treasury/IRS 36.888." The Employee Tax Compliance Records were previously covered under Treasury/IRS 36.003—General Personnel and Payroll Records. However, these records have changed and become distinct enough to warrant a new system of records.

**DATES:** Comments must be received no later than March 8, 2001. The proposed system of records will be effective March 19, 2001 unless comments are received that result in a contrary determination.

**ADDRESSES:** Comments should be sent to the IRS Freedom of Information Reading Room, Room 1621, 1111 Constitution Avenue, NW., Washington, DC 20224. Comments will be made available for inspection at the IRS Freedom of Information Reading Room also located at room 1621, 1111 Constitution Avenue, NW. The telephone number for the Reading Room is (202) 622-5164.

**FOR FURTHER INFORMATION CONTACT:** Sharon M. Oliver, Acting Director, Office of Workforce Relations, Internal Revenue Service, Room 1515, 1111 Constitution Avenue, NW., Washington, DC 20224. Her telephone number is (202) 622-7542. (This is not a toll free number).

**SUPPLEMENTARY INFORMATION:** The Employee Tax Compliance Records (ETC) are used to detect potential non-compliance of IRS employees with the Federal tax law. The ETC records will increase the IRS' ability to ensure employee compliance with Federal tax law. The development of the Employee Tax Compliance Program was precipitated by the need to comply with the Office of Government Ethics Title 5 Code of Federal Regulations 2635.809. These records were previously covered under Treasury/IRS 36.003—General Personnel and Payroll Records. However, over time these records have become distinct enough to warrant a new system of records.

The proposed system of records, Employee Tax Compliance Records (ETC)—Treasury/IRS 36.888, will be exempted from disclosure provisions of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2). A proposed rule is being published separately in the **Federal Register**.

The new system of records report, as required by 5 U.S.C. 552a(r) of the Privacy Act, has been submitted to the Committee on Government Operations of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Office of Management and Budget (OMB), pursuant to OMB Circular A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals."

The proposed IRS system of records Treasury/IRS 36.888—Employee Tax Compliance Records (ETC) is published in its entirety below.

Dated: January 25, 2001.

**W. Earl Wright, Jr.,**

*Chief Management and Administrative Programs Officer.*

**Treasury/IRS 36.888**

**SYSTEM NAME:**

Employee Tax Compliance Records (ETC).

**SYSTEM LOCATION:**

Main records are located in the Field Information Systems Organization—Southeast Region (Cincinnati, Ohio). Copies may be transferred to local offices to work cases in the National Offices, District and Regional Offices, and the Internal Revenue Service Centers. (See IRS Appendix A for addresses.)

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

Employees of the IRS who may not be in full compliance with the Federal tax laws.

**CATEGORIES OF RECORDS IN THE SYSTEM:**

Tax Return and Return information, including the Employee Tax Compliance Database records, which contain name, social security number, address, facts of IRS employment, and location codes. Records may also contain administrative information that may help in locating an employee.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

26 U.S.C. 7801 and 7803.

**PURPOSE(S):**

To detect potential noncompliance of IRS employees with the Federal tax laws and provide records for a fair and uniform process for appropriate action when non-compliance is detected.

**ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES:**

Disclosure of returns and return information may be made only as provided by 26 U.S.C. 6103.

**POLICIES AND PROCEDURES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:**

**STORAGE:**

Paper and electronic media.

**RETRIEVABILITY:**

Records are indexed and/or retrieved by taxpayer name, taxpayer identification number (social security number) and tax year.

**SAFEGUARDS:**

Access controls will be in accordance with the guidelines provided in the

Automated Information System Security Handbook, Internal Revenue Manual (IRM) 2(10) 00 and IRM 1(16) 12 Manager's Security Handbook.

**RETENTION AND DISPOSAL:**

Records are maintained in accordance with Records Disposition Handbooks, IRM 1 (15) 59.1 through IRM 1 (15) 59.32.

**SYSTEM MANAGER(S) AND ADDRESS:**

Internal Revenue Service, Chief, Employee Tax Compliance Unit (Cincinnati) P.O. Box 1637, Cincinnati, OH 45201-1637.

**NOTIFICATION PROCEDURES:**

This system of records may not be accessed for purposes of determining if the system contains a record pertaining to a particular individual.

**RECORD ACCESS PROCEDURES:**

This system of records may not be accessed for purposes of inspection or contest of record contents as the records are exempt.

**CONTESTING RECORD PROCEDURES:**

26 U.S.C. 7852(e) prohibits Privacy Act amendment of tax records.

**RECORD SOURCE CATEGORIES:**

This system of records is exempt from the Privacy Act provision which requires that record source categories be reported.

**EXEMPTIONS CLAIMED FOR THE SYSTEM:**

This system is exempt from (c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), (e)(4)(I), and (f) of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2). (See 31 CFR 1.36)

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