

553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses.

### Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any electronic or written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying. A public hearing has been scheduled for March 31, 2004, beginning at 10 a.m. in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** portion of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments must submit electronic or written comments and an outline of the topics to be discussed and the time to be devoted to each topic (a signed original and eight (8) copies) by March 10, 2004. A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for reviewing outlines has passed. Copies of the agenda will be available free of charge at the hearing.

### Drafting Information

The principal author of this notice of proposed rulemaking is Nancy L. Rose, Office of Associate Chief Counsel (Procedure and Administration).

### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

### Withdrawal of a Previous Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking published in the **Federal Register** on November 18, 2002 (REG-143321-02) is withdrawn.

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

1. The authority citation for part 1 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

2. Section 1.6043-4 is added to read as follows:

#### **§ 1.6043-4 Information returns relating to certain acquisitions of control and changes in capital structure.**

[The text of proposed § 1.6043-4 is the same as the text of § 1.6043-4T published elsewhere in this issue of the **Federal Register**]

3. Section 1.6045-3 is added to read as follows:

#### **§ 1.6045-3 Information reporting for acquisitions of control or substantial changes in capital structure.**

[The text of proposed § 1.6045-3 is the same as the text of § 1.6045-3T published elsewhere in this issue of the **Federal Register**]

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

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## DEPARTMENT OF JUSTICE

### Office of Justice Programs

#### 28 CFR Part 90

[OJP Docket No. 1378]

RIN 1121-AA67

#### **STOP Violence Against Women Formula Grant Program and STOP Violence Against Indian Women Discretionary Grant Program: Clarification of Match Requirement**

**AGENCY:** Office on Violence Against Women, Office of Justice Programs, Department of Justice.

**ACTION:** Notice of proposed rule.

**SUMMARY:** This rule proposed to amend the regulations for the STOP (Services—Training—Officers—Prosecutors) Violence Against Women Formula Grant

Program and the STOP Violence Against Indian Women Discretionary Grant Program in 28 CFR 90.17 and 90.55, respectively, to clarify the statutory provision in 42 U.S.C. 3796gg-1(f) requiring that each STOP fund grantee provide matching funds in an amount no less than 25% of the total costs of the projects described in the application for funds.

**DATES:** Written comments should be submitted by January 29, 2004.

**ADDRESSES:** Please send written comments, by U.S. mail, to: Marnie Shiels, Attorney-Advisor, Office on Violence Against Women, Office of Justice Programs, 810 7th Street, NW., Washington, DC 20531; or by e-mail, to: [OVWRegs@ojp.usdoj.gov](mailto:OVWRegs@ojp.usdoj.gov). To ensure proper handling, please reference OJP No. 1378 on your correspondence.

**FOR FURTHER INFORMATION CONTACT:** Marnie Shiels, Attorney-Advisor, Office on Violence Against Women, Office of Justice Programs, 810 7th Street, NW., Washington, DC 20531, telephone: (202) 307-6026.

**SUPPLEMENTARY INFORMATION:** The STOP and STOP Violence Against Indian Women (VAIW) Programs are codified at 42 U.S.C. 3796gg *et seq.* The final rule for these programs, 28 CFR Part 90 (Subparts B and C), was promulgated on April 18, 1995. The STOP grants are awarded to states and territories to develop and strengthen the criminal justice system's response to violence against women and to support and enhance services for victims. The STOP VAIW grants are intended to develop and strengthen tribal law enforcement and prosecution efforts to combat violence against Indian women and to develop and enhance services for victims of such crimes.

Because this is a technical amendment to clarify the matching requirement within the authorizing statute, the deadline for written comments is 30-days from the date of publication of this proposed rule in the **Federal Register**.

#### **Statutory Match Requirement**

The STOP statute, 42 U.S.C. 3796gg-1(f), provides: "The Federal share of a grant made under [these grant programs] may not exceed 75 percent of the total costs of the projects described in the application submitted." In accordance with the statutory matching funds requirement, States and Indian tribal governments receiving funds under these two programs must ensure that only 75 percent of their total budget for the grant project comes from STOP grant funds. The purpose of requiring STOP formula fund grantees to provide a 25%

match is to augment the resources available to the project from grant funds and to foster the dedication of State, local, and community resources to the purposes of the project. States and tribal governments must calculate "matching funds" based on their entire grant awards, including amounts that they are allowed to allocate for administrative expenses or indirect costs. (In the case of American Samoa, Guam, the Virgin Islands, and the Northern Mariana Islands, the requirement for matching funds (up to \$200,000) is waived pursuant to 48 U.S.C. 1469a(d).)

Grantees may satisfy this match requirement with either cash or in-kind services and may require sub-grantees to provide all or part of the match. The costs of activities counted as matching funds must be directly related to the project goals and objectives. For Indian tribes, as provided in 42 U.S.C. 3796gg-1(g), appropriations for the activities of any agency of an Indian tribal government or of the Bureau of Indian Affairs performing law enforcement functions on any Indian lands may be used to provide the match. The Office of Justice Programs Financial Guide, Part III, Chapter 3, provides information on additional sources of matching funds.

By statute, grantees under the STOP Violence Against Women Formula Grant Program and the STOP Violence Against Indian Women Discretionary Grant Program are required to provide a 25% match—or 25% of the total funds associated with the project being funded. (Thus, OVW provides only 75% of the total funding for each project.) The current regulations prohibit state and Indian tribal government grantees from passing on any portion of the 25% match requirement to any subgrantees who are nonprofit, non-governmental victim services programs, even though the statute contains no such prohibition. The revised rule will conform OJP regulations to the statute by permitting grantees to require that those subgrantees provide a portion of the overall 25% match that is required for the project.

#### Executive Order 12866

This regulation has been drafted and reviewed in accordance with Executive Order 12866, section 1(b), Principles of Regulation. The Office of Justice Programs has determined that this rule is not a "significant regulatory action" under Executive Order 12866, section 3(f), Regulatory Planning and Review, and accordingly this rule has not been reviewed by the Office of Management and Budget.

#### Cost/Benefit Assessment

This proposed rule is a technical amendment that clarifies the match requirement for entities awarded funds under the STOP Violence Against Women Formula Grant Program and the STOP Violence Against Indian Women Discretionary Grant Programs. The only cost of this proposed rule is thus borne by grantees for whom the benefit of receiving funds outweighs any cost imposed by the matching funds requirement.

#### Executive Order 13132

This regulation will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. This proposed rule is a technical amendment that clarifies the match requirement for entities awarded funds under the STOP Violence Against Women Formula Grant Program and the STOP Violence Against Indian Women Discretionary Grant Programs, but has no effect on other funds granted to states. Therefore, in accordance with Executive Order 12612, it is determined that this rule does not have sufficient federalism implications to warrant preparation of a Federalism Assessment.

#### Regulatory Flexibility Act

The Office of Justice Programs, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed this regulation and by approving it certifies that this regulation will not have a significant economic impact upon a substantial number of small entities for the following reason: This proposed rule is a technical amendment that clarifies the match requirement for entities awarded funds under the STOP Violence Against Women Formula Grant Program and the STOP Violence Against Indian Women Discretionary Grant Programs, but has no effect on other funds.

#### Unfunded Mandates Reform Act of 1995

This rule will not result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more in any one year, and it will not uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

#### Small Business Regulatory Enforcement Fairness Act of 1996

This rule is not a major rule as defined by section 804 of the Small Business Regulatory Enforcement Fairness Act of 1996. This rule will not result in an annual effect on the economy of \$100,000,000 or more; a major increase in cost or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based companies to compete in domestic and export markets.

#### List of Subjects in 28 CFR Part 91

Grant programs, Judicial administration.

For the reason set forth in the preamble, the Office of Justice Programs proposes to amend 28 CFR Chapter I as follows:

#### PART 90—VIOLENCE AGAINST WOMEN

##### Subpart B—The STOP (Services—Training—Officers—Prosecutors) Violence Against Women Formula Grant Program

1. The authority citation for Part 90, subparts B and C, continues to read as follows:

**Authority:** 42 U.S.C. 3796gg *et seq.*

2. Paragraph (c) of § 90.17 is proposed to be revised to read as follows:

##### § 90.17 Matching requirements.

\* \* \* \* \*

(c) The match expenditures must be committed for each funded project under the grant, including administrative and indirect costs, and cannot be derived from other Federal funds.

\* \* \* \* \*

##### Subpart C—Indian Tribal Governments Discretionary Program

3. Paragraph (c) of § 90.55 is proposed to be revised to read as follows:

##### § 90.55 Matching requirements.

\* \* \* \* \*

(c) The match expenditures must be committed for each funded project under the grant, including administrative and indirect costs, and, as provided in 42 U.S.C. § 3796gg-1(g), may be derived from appropriations for the activities of any agency of an Indian tribal government or of the Bureau of Indian Affairs performing law enforcement functions on any Indian lands.

\* \* \* \* \*

Dated: December 22, 2003.

**Diane M. Stuart,**

*Director, Office on Violence Against Women.*

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## DEPARTMENT OF THE TREASURY

### Office of the Secretary

#### 31 CFR Part 10

[REG-122379-02]

RIN 1545-BA70

### Regulations Governing Practice Before the Internal Revenue Service

**AGENCY:** Office of the Secretary, Treasury.

**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This notice proposes modifications of the regulations governing practice before the Internal Revenue Service (Circular 230). These regulations affect individuals who are eligible to practice before the IRS. The proposed modifications set forth best practices for tax advisors providing advice to taxpayers relating to Federal tax issues or submissions to the IRS and modify the standards for certain tax shelter opinions. This document also provides notice of a public hearing regarding the proposed regulations.

**DATES:** *Comments:* Written or electronically generated comments must be received by February 13, 2004.

*Public Hearing:* Outlines of topics to be discussed at the public hearing scheduled for February 18, 2004, in the Auditorium of the Internal Revenue Building at 1111 Constitution Avenue, NW., Washington, DC 20224, must be received by February 11, 2004.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-122379-02), room 5203, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-122379-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the IRS Internet site at: [www.irs.gov/regs](http://www.irs.gov/regs).

**FOR FURTHER INFORMATION CONTACT:** Concerning issues for comment, Heather L. Dostaler or Bridget E. Tombul at (202) 622-4940; concerning submissions of comments, Guy Traynor of the Publications and Regulations Branch at (202) 622-7180 (not toll-free numbers).

## SUPPLEMENTARY INFORMATION:

### Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507). Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Comments on the collection of information should be received by March 1, 2004. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the Office of Professional Responsibility, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proper collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

The collections of information (disclosure requirements) in these proposed regulations are in § 10.35(d). Section 10.35(d) requires a practitioner providing a tax shelter opinion to make certain disclosures in the beginning of marketed tax shelter opinions, limited scope opinions and opinions that fail to conclude at a confidence level of at least more likely than not. In addition, certain relationships between the practitioner and a person promoting or marketing a tax shelter must be disclosed. A practitioner may be required to make one or more disclosure at the beginning of an opinion. The collection of this material helps to ensure that taxpayers who receive a tax shelter opinion are informed of any facts or circumstances that might limit the taxpayer's use of the opinion. The collection of information is mandatory.

Estimated total annual disclosure burden is 13,333 hours.

Estimated annual burden per disclosing practitioner varies from 5 to 10 minutes, depending on individual circumstances, with an estimated average of 8 minutes.

Estimated number of disclosing practitioners is 100,000.

Estimated annual frequency of responses is on occasion.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

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 section 6103 of the Internal Revenue Code.

### Background

Section 330 of title 31 of the United States Code authorizes the Secretary of the Treasury to regulate the practice of representatives before the Treasury Department. The Secretary has published the regulations in Circular 230 (31 CFR part 10). On February 23, 1984, the regulations were amended to provide standards for tax shelter opinions (49 FR 6719). On May 5, 2000, an advance notice of proposed rulemaking was published (65 FR 30375) which requested comments regarding amendments to the standards of practice governing tax shelters and other general matters. On January 12, 2001, a notice of proposed rulemaking (66 FR 3276) was published that proposed amendments to the regulations relating to practice before the Internal Revenue Service in general and addressing tax shelter opinions in particular. On July 26, 2002, final regulations (67 FR 48760) were issued incorporating only the non-tax shelter related matters. The IRS and the Treasury Department announced that regulations governing standards for tax shelter opinions would be proposed again at a later date.

This document proposes new proposed amendments to the standards governing tax shelter opinions and withdraws proposed amendments to §§ 10.33, 10.35 and 10.36 of the regulations governing practice before the IRS that were published in 2001. See 66 FR 3276 (Jan. 12, 2001).

### Explanation of Provisions

Tax advisors play an increasingly important role in the Federal tax system, which is founded on principles of voluntary compliance. The tax system is