

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

Bureau/Office	RIN - Control Number	Title	Brief Description	Progress updates- Completion date (actual or anticipated)	Anticipated savings in costs and/or information collection burdens, together with any anticipated changes in benefits (please quantify, to the extent feasible, and also specify baseline, time horizon, and affected groups)
Alcohol and Tobacco Tax and Trade Bureau (TTB)	1513-AB03	Revision to Specially Denatured and Completely Denatured Alcohol Regulations	TTB has proposed changes to regulations for specially denatured alcohol (SDA) and completely denatured alcohol (CDA) that would reclassify certain SDA formulas as CDA formulas and would establish new general-use formulas for articles made with SDA so that industry members would less frequently need to seek formula approval from TTB.	NPRM published June 27, 2013 (Notice No. 136, 78 FR 38628). Final rule anticipated 2014.	<p>TTB estimates that these proposed changes would result in an 80 percent reduction in the formula approval submissions currently required from industry members and would reduce total annual paperwork burden hours on affected industry members by 955 hours, from 1,194 to 239 hours.</p> <p>The reduction in formula submissions will enable TTB to redirect its resources to address backlogs that exist in other areas of TTB's mission activities, such as analyzing compliance samples for industrial/fuel alcohol and working with industry to test and approve new and more environmentally friendly denaturants. Other proposed changes would remove unnecessary regulatory burdens and update the regulations to align them with current industry practice.</p>
Alcohol and Tobacco Tax and Trade Bureau (TTB)	1513-AB94	Revisions to Beer Regulations (Small Brewers Bond Reduction)	TTB intends to take regulatory action to implement changes to the 27 CFR Part 25 beer regulations that will reduce the required bond and reduce the reporting burdens on certain eligible brewers.	Temporary rule and related NPRM published on December 7, 2012 (T.D. TTB-109, 77 FR 72939; and Notice No. 131, 72999 respectively). Estimated final rule publication in early 2014.	This regulatory action will reduce the amount of the bond required for certain small brewers to a flat \$1,000. This regulatory action also will decrease the regulatory burden on industry members by streamlining and reducing the reporting and recordkeeping requirements for certain eligible industry members, thus increasing efficiency for both the industry and TTB. Specifically, it is estimated that eligible industry members will see a burden reduction associated with tax returns of 15.75 hours per year (from 18.75 hours/year to 3 hours/year), saving the industry 15,777 hours annually. Further, the annual burden associated with submission of operations reports will decrease from 12 hours/year to 4 hours/year, with an industry-wide reduction of 2,608 hours annually.

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

Alcohol and Tobacco Tax and Trade Bureau (TTB)	1513-AB89	Revisions to Distilled Spirits Plant Operations Reports and Regulations	TTB originally proposed to revise regulations in 27 CFR Part 19 to replace the current four report forms used by distilled spirits plants to report their operations on a monthly basis with two new report forms that would be submitted on a monthly basis (plants that qualify to file excise taxes on a quarterly basis would submit the new reports on a quarterly basis). TTB currently is drafting a Supplemental NPRM that will propose to replace the current four operations report forms with just one form, which would be filed on a monthly or quarterly basis as described above.	NPRM published December 5, 2011 (Notice No. 124, 76 FR 75836). The comment period was re-opened in mid-June 2013 for public comment on the two revised forms. Supplemental NPRM publication anticipated in early 2014.	<p>This project, which was included in the President’s FY 2012 budget for TTB as a cost saving item, will address numerous concerns and desires for improved reporting by the affected distilled spirits industry and result in cost savings to the industry and TTB by reducing the number of monthly plant operations reports that must be completed and filed by industry members and processed by TTB.</p> <p>TTB preliminarily estimates that this project will result in an annual savings of approximately 23,218 paperwork burden hours (or 11.6 staff years) for industry members, and 629 processing hours (or 0.3 staff years) and \$12,442 per year for TTB in contractor time. In addition, TTB estimates that this project will result in additional savings in staff time (approximately 3 staff years) equaling \$300,000 annually based on the more efficient and effective processing of reports and the use of report data to reconcile industry member tax accounts.</p>
--	-----------	---	--	--	--

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

Internal Revenue Service	1545-BF96	Regulations Governing Practice Before the Internal Revenue Service	Proposed regulations revising the written advice rules in 31 CFR part 10.	NPRM published on September 17, 2012 (77 FR 57055); Final rule anticipated in 2014.	<p>The proposed regulations would streamline the Circular 230 rules regarding written advice and make other necessary amendments to Circular 230.</p> <p>The elimination of the covered opinion rules in this notice of proposed rulemaking would, at a minimum, save tax practitioners \$5,333,200. This burden reduction comes from the elimination of the provisions requiring practitioners to make certain disclosures in the covered opinion.</p> <p>This number does not include a number of other significant savings to both tax practitioners and taxpayers relating to the cost of obtaining a covered opinion under the current rules that would occur as a result of the proposed regulations. Practitioners spend many hours each year determining whether they need to prepare a covered opinion for a client or if the advice falls into one of the exceptions. This requires significant time to, among other things, research and review the complicated covered opinion rules and discuss the issue with other practitioners in the firm to determine the right course of action. If the practitioner decides, after undertaking these activities, that a covered opinion is necessary, the practitioner must discuss the covered opinion rules with the client, including how the rules affect the scope of the work that the client has asked the practitioner to perform, because the client will incur significant extra costs to obtain the written advice the client requested. These significant extra costs can, in some cases, tip the scales against obtaining written advice.</p>
Departmental Offices (DO)	TBD	Freedom of Information Act (FOIA)	DO is reviewing its FOIA rules in title 31 in order to update and modernize its regulations and to update the regulations to reflect organizational changes.	NPRM anticipated Spring 2014.	DO anticipates that updates to its FOIA regulations will streamline existing procedures for the public in submitting requests and for the Department in responding to requests.

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

United States Mint	TBD	Mutilated Coinage Redemption Program	Updating mutilated coin redemption program regulations (31 CFR Part 100, subpart C) to clarify certain ambiguities in the regulations, prepare necessary updates to reflect redemption values for new coins issued since the regulation was last amended, and revise existing redemption processes.	NPRM anticipated early 2014.	We anticipate the benefits of the revised procedures to include—(1) more accurate and consistent redemption values based on the current coin weights for each denomination; (2) elimination of public confusion over redemption criteria by clarifying the standards on the acceptance of mixed and fused coins; and (3) revised redemption processes that will mitigate the possibility of abusing the program for illegal money laundering purposes.
--------------------	-----	--------------------------------------	---	------------------------------	--

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

Internal Revenue Service (IRS)	<p>1. 1545–BK23</p> <p>2. 1545–BJ55</p>	<p>1. Longevity Annuity Contracts.</p> <p>2. Modifications to Minimum Present Value Requirements for Partial Annuity Distribution Options Under Defined Benefit Pension Plans.</p>	<p>1. Proposed regulations facilitating the purchase of longevity annuity contracts under tax-qualified defined contribution plans under section 401(a) of the Internal Revenue Code (Code), section 403(b) plans, individual retirement annuities and accounts (IRAs) under section 408, and eligible governmental section 457 plans.</p> <p>2. Proposed regulations would change the regulations regarding the minimum present value requirements for defined benefit plan distributions to permit plans to simplify the treatment of certain optional forms of benefit that are paid partly in the form of an annuity and partly in a more accelerated form.</p>	<p>NPRM for each item published on February 3, 2012 (77 FR 5443 and 77 FR 5454). Final rules anticipated 2014.</p>	<p>Will facilitate the delivery of lifetime income in qualified plans and, to some extent, IRAs, and may reduce administrative burdens for retirement plan sponsors that would like to expand employees' retirement income options.</p>
--------------------------------	---	--	---	--	---

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

Internal Revenue Service (IRS)	1545-BI36	Claims for Credit or Refund	Proposed regulations making corrections to the section 6402 regulations to reflect the proper place for filing claims for refund or credit.	NPRM published June 10, 2011 (76 FR 34017). Final rule anticipated 2014.	The proposed regulations provide taxpayers information to enable them to file a claim for refund or credit. The proposed regulations update the existing regulations that contain outdated information.
Internal Revenue Service (IRS)	1545-BJ07	Extending Religious and Family Member FICA and FUTA Exceptions to Disregarded Entities	Temporary and cross referencing proposed regulations that extend certain exceptions from taxes under the Federal Insurance Contributions Act (FICA) and the Federal Unemployment Tax Act (FUTA) to disregarded entities. The regulations are in response to recent changes made to the entity classification regulations to ensure that the exceptions continue to be available.	Temporary regulations and cross referencing NPRM published November 1, 2011 (76 FR 67363; 76 FR 67384). These regulations are expected to be made permanent in 2014.	The temporary and cross referencing proposed regulations will ensure that certain exceptions from FICA and FUTA continue to be available as a result of publication of the entity classification regulations. These regulations will reduce the administrative burden of tax law compliance by providing updated and clarified rules.

**DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014**

Internal Revenue Service (IRS)	1545-BF80	Section 67 Limitations on Estates and Trusts	Proposed regulations on the deductibility of certain investment advisory and other expenses of trusts and estates, specifically whether such expenses are subject to the 2% floor for miscellaneous itemized deductions under section 67(a) or are fully deductible under the section 67(e) exception for administration expenses that would not have been incurred if the property was not held in the trust or estate.	NPRM published September 7, 2011 (76 FR 55322). Final rule anticipated in 2014.	These proposed regulations assist in tax compliance because they update the rules to be consistent with a 2008 U.S. Supreme Court opinion (Knight v. Commissioner, 552 U.S. 181)
--------------------------------	-----------	---	--	---	--

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

Internal Revenue Service (IRS)	1545-BI64	Reduction or Suspension of Safe Harbor Contributions	Final regulations relating to certain cash or deferred arrangements under section 401(k) and matching contributions and employee contributions under section 401(m). The regulations provide guidance on permitted mid-year reductions or suspensions of safe harbor nonelective contributions in certain circumstances for amendments adopted after May 18, 2009, and revise the requirements for permitted mid-year reductions or suspensions of safe harbor matching contributions for plan years beginning on or after January 1, 2015.	Final rule published November 15, 2013 (78 FR 68735).	<p>Final regulations provide relief to employers facing financial difficulty from certain requirements under the existing regulations on safe harbor contributions to section 401(k) and (m) plans. The regulations are in response to concerns raised by employers experiencing a business hardship who are unable to meet their obligation of paying certain safe harbor contributions under their plans. The regulations provide new flexibility to employers sponsoring certain safe harbor 401(k) plans by allowing these plan sponsors to respond to changes in their financial health by suspending required contributions.</p> <p>In response to Treasury's 2011 Plan for Retrospective Analysis of Existing Rules, the Department received a comment that supported this regulatory guidance.</p>
--------------------------------	-----------	--	---	---	--

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

<p>Departmental Offices--Customs Revenue Function (U.S. Customs and Border Protection (CBP))</p>	<p>1515-AD97</p>	<p>Documentation Related to Goods Imported from U.S. Insular Possessions</p>	<p>A proposal to amend the CBP regulations to eliminate the requirement that a customs official at the port of export verify and sign CBP Form 3229, Certificate of Origin for U.S. Insular Possessions, and to require only that the importer present this form upon CBP's request, rather than with each entry as is currently required.</p>	<p>NPRM anticipated early 2014.</p>	<p>CBP believes that these amendments will serve to streamline the certification process and modernize the entry process by making it more efficient as it will reduce the overall administrative burden on the importing trade as well as CBP. The importer is still required to maintain CBP Form 3229 in its possession to qualify for duty-free treatment. The proposed amendment to the regulation and the revision of CBP Form 3229 would reduce the paperwork burden to an estimated 20 minutes. The anticipated time savings comes as a result of the elimination of the customs officer signature requirement on the form.</p>
<p>Internal Revenue Service (IRS)</p>	<p>1545-BK62</p>	<p>Amount of the Penalty Under Section 6707A, as Amended by the Small Business Jobs Act of 2010</p>	<p>These proposed regulations provide guidance on calculating the amount of the penalty under section 6707A(b), which was amended by the Small Business Jobs Act of 2010.</p>	<p>NPRM anticipated 2014.</p>	<p>In response to Treasury's 2011 <i>Plan for Retrospective Analysis of Existing Rules</i>, the Department received a comment that supported this regulatory guidance.</p>

DEPARTMENT OF THE TREASURY
Implementation of Retrospective Review Plans
Status Report - January 2014

Internal Revenue Service (IRS)	1545-BL07	Incentives for Nondiscriminatory Wellness Programs in Group Health Plans	These final regulations increase the maximum permissible reward under a health-contingent wellness program offered in connection with a group health plan (and any related health insurance coverage) from 20 percent to 30 percent of the cost of coverage. The final regulations further increase the maximum permissible reward to 50 percent for wellness programs designed to prevent or reduce tobacco use. These regulations also include other clarifications regarding the reasonable design of health-contingent wellness programs and the reasonable alternatives they must offer in order to avoid prohibited discrimination.	Joint final rule issued with the Departments of Labor and Health and Human Services on June 3, 2013 (78 FR 33158).	In response to Treasury's 2011 <i>Plan for Retrospective Analysis of Existing Rules</i> , the Department received a comment that supported this regulatory guidance.
--------------------------------	-----------	--	---	--	--

APPENDIX to Treasury Implementation of Retrospective Review Plans Status Report - January 2014
 Report of Burden Reduction Initiatives

Agency	Sub-Agency	Title - RIN	Description of the initiative	Hours of paperwork reporting eliminated	Estimated effective date of the change
Treasury	IRS	Simplified Basis Reporting for Capital Gains and Losses	<p>Currently, taxpayers with certain investment transactions are required to complete one or more Forms 8949, Sales and Other Dispositions of Capital Assets, to separately list each sale transaction. Different Forms 8949 are to be completed for transactions with basis reported on Form 1099-B (covered transactions), transactions without basis reported on Form 1099-B, or transactions not meeting either of those criteria. Total amounts from each Form 8949 are then listed on Form 1040 Schedule D (or corresponding income tax form for partnerships) and used to compute the Capital Gain or Loss line of the Form 1040 (or corresponding form). IRS is proposing to allow individual and partnership taxpayers with covered transactions requiring no modifications to elect to report the associated sales activity (aggregate sales price, cost/basis, gain/loss) of all covered transactions directly onto the appropriate line of Schedule D without providing the transaction detail on a supporting Form 8949. Separate entries would be made direct to the Schedule D for short term and long term sales. These are transactions covered under the current Form 8949 box A, but not needing adjustment. Transactions currently reported under the Form 8949 box B (transactions reported to IRS without basis) or box C (transactions not meeting box A or B criteria) would continue to require the supporting transactional detail on a Form 8949. The result is taxpayers with only covered transactions will no longer be required to file Forms 8949. For those taxpayers with both covered and non-covered transactions, they will be required to file fewer Forms 8949.</p>	19,000,000	Effective for tax year 2013 returns which are filed in calendar year 2014

Agency	Sub-Agency	Title - RIN	Description of the initiative	Hours of paperwork reporting eliminated	Estimated effective date of the change
Treasury	IRS	Modifying the IRS Schedule M-3 Reporting Requirements for Large and Foreign Corporations with assets over \$10 million and up to \$50 million.	With this initiative IRS is proposing to change Schedule M-3 (Net Income/Loss Reconciliation) reporting requirements to business taxpayers, filing as a corporation or partnership, with over \$10 million and up to \$50 million in assets. Beginning with the 2014 tax year, these taxpayers would be required to complete only Part I of the Schedule M-3 and complete the Schedule M-1 in place of Parts II and III of the Schedule M-3. Currently, the Schedule M-3 reporting threshold is set at \$10 million assets. Information on the Schedule M-3 is used by the IRS for workload selection purposes. IRS does not anticipate that this initiative will have an impact on a corporation or a partnership's tax liability.	10,000,000	Effective for tax year 2014 returns which are filed in calendar year 2015.

Agency	Sub-Agency	Title - RIN	Description of the initiative	Hours of paperwork reporting eliminated	Estimated effective date of the change
Treasury	IRS	Office-in-the-Home Optional Deduction	<p>To claim an Office in the Home (OIH) deduction, taxpayers must first meet certain usage and other requirements and then must determine the expenses associated with their home office. Expenses include repairs, maintenance, utilities, insurance, rent, property taxes, mortgage interest, and depreciation. Upon sale of an owned property, separate calculations of capital gain and recapture of previously-allowable depreciation are required. The requirements for record keeping and computing the deduction are burdensome for the taxpayer and costly if the taxpayer uses an accountant or tax return preparer. It is also labor intensive for the IRS to verify both eligibility for, and the proper amount of, the deduction for home office expenses. To reduce the OIH complexity and burden, Treasury issued Revenue Procedure 2013-13 on January 15, 2013 to permit taxpayers to elect an optional, simpler method of determining the deduction. The optional method is based on the number of square feet used for the home office multiplied by a dollar per square foot amount provided by the IRS. The eligibility tests will not change. A maximum of 300 square feet will be allowed under the optional deduction. The allowance per square foot will be \$5. Homeowners using the optional method may deduct as itemized deductions (on Schedule A) all of their mortgage interest and real estate tax expenses, thereby eliminating the need to allocate these items between home office and personal expenses. Taxpayers who wanted to carry forward net losses from the current year from the home office deduction will have to use the actual cost method. Taxpayers will be able to switch between the actual cost and the optional method year by year. Under the optional method, depreciation will not be allowable for the home office usage; thus, recapturing of the deduction will not be required.</p>	1,600,000	Effective for tax year 2013 returns which are filed in calendar year 2014.

Agency	Sub-Agency	Title - RIN	Description of the initiative	Hours of paperwork reporting eliminated	Estimated effective date of the change
Treasury	IRS	Form 1040-X E-File	IRS' proposal will allow individual taxpayers the option to electronically file their amended tax returns.	1,000,000	FY2016
Treasury	TTB	Reduction of Excise Tax Return Filing Frequency for Small Brewers 1513-AB94	Businesses, other than those in Puerto Rico, report their Federal excise tax liability on distilled spirits, wine, beer, tobacco products, cigarette papers and tubes on form TTB F 5000.24. TTB needs this form to identify the taxpayer and to determine the amount and type of taxes due and paid. TTB is proposing to mandate that small brewers file tax returns quarterly, rather than semi-monthly (every two weeks).	15,777	TTB published the NPRM and Temporary rule in December 2012. Final rule publication in early 2014.
Treasury	TTB	Reduction of Filing Frequency of Brewer's Report of Operations (TTB Forms 5130.9 and 5130.26) 1513-AB94	Brewers periodically file these reports of their operations to account for activity relating to taxable commodities. TTB uses this information primarily for revenue protection, for audit purposes, and to determine whether the activity is in compliance with the requirements of law. For small brewers, TTB proposes to reduce the filing frequency of these forms to quarterly instead of monthly.	2,608	TTB published the NPRM and Temporary rule in December 2012. Final rule publication in early 2014.
Treasury	TTB	Reduced Filing Requirements for TTB Form - Formula and/or Process for Article Made With Specially Denatured Spirits (Form 5150.19) 1513-AB03	TTB F 5150.19 is completed by persons who use specially denatured spirits in the manufacture of certain articles. TTB uses the information provided on the form to ensure the manufacturing formulas and processes conform to statutory requirements. TTB is proposing to implement regulatory changes that reduce the number of required filings for TTB form 5150.19.	955	TTB published the NPRM on June 27, 2013.

Notes:

* Since the previous report in July 2013, the Department received no public comments on its retrospective review plan, however Treasury made some changes in this report based on comments previously received.

* Every year, Treasury and the IRS identify guidance projects that are priorities for allocation of the resources during the year in the Priority Guidance Plan (PGP). The plan represents projects that Treasury and the IRS intend to actively work on during the year. To help facilitate and

encourage suggestions, Treasury and the IRS have developed an annual process for soliciting public input for guidance projects. The annual solicitation is done through the publication of a Notice inviting recommendations from the public for items to be included on the PGP for the upcoming year. We also invite the public to continue throughout the year to provide us with their comments and suggestions for guidance projects. Treasury and the IRS, in selecting projects for the plan, specifically consider whether the recommended guidance involves regulations that are outmoded, ineffective, insufficient, or excessively burdensome and that should be modified, streamlined, expanded, or repealed. The current PGP, last updated on November 20, 2013, contains Treasury's and IRS' current guidance priorities. Comments received on the retrospective review plan are considered in developing the office's current priorities. To the extent that a comment on the retrospective review plan suggested a project that is currently not reflected on the PGP, that project is not a priority that the office is working on during the current plan year.