**DEPARTMENT OF THE TREASURY**
**Implementation of Retrospective Review Plans**
**Status Report - January 2013**

| 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 will propose changes to regulations for specially denatured alcohol (SDA) and completely denatured alcohol (CDA) that would reclassify certain SDA formulas as CDA and will propose to issue new general-use formulas for articles made with SDA so that industry members would less frequently need to seek formula approval from TTB. | Anticipated NPRM publication in 2013. | 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 from 2,415 to 517 hours.<br><br>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. |
| Alcohol and Tobacco Tax and Trade Bureau (TTB) | 1513-AB72 | Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) Final Rule | The rule, promulgated under the CHIPRA, includes provisions to help prevent the diversion of tobacco products, resulting in the collection of tobacco excise taxes rightfully due. | Final rule published June 21, 2012 (77 FR 37287). | Congress mandated the regulation of processed tobacco to strengthen the enforcement authority for the Federal excise tax on tobacco products, which significantly increased under CHIPRA. CHIPRA provides enforcement mechanisms to assist in preventing the diversion of tobacco materials to illegal manufacturers, and the regulations implement these enforcement mechanisms. A temporary rule was published in June 2009, and a final rule was published in June 2012 to continue the implementation of these provisions. |

**DEPARTMENT OF THE TREASURY**
**Implementation of Retrospective Review Plans**
**Status Report - January 2013**

| | | | | | |
|---|---|---|---|---|---|
| Alcohol and Tobacco Tax and Trade Bureau (TTB) | 1513-AB94 | Revisions to Beer Regulations (Small Brewers Bond Reduction) | TTB intends to take regulatory action in the form of a temporary rule and an NPRM to implement changes to the Part 25 beer regulations that will reduce reporting burdens on brewers. | Temporary rule and related NPRM published on December 7, 2012 (77 FR 72939 and 72999 respectively). | This regulatory action will decrease the regulatory burden on industry members by streamlining and reducing the reporting and recordkeeping requirements for industry members, thus increasing efficiency for both the industry and TTB. |
| Alcohol and Tobacco Tax and Trade Bureau (TTB) | 1513-AB89 | Revisions to Distilled Spirits Plant Operations Reports and Regulations | TTB proposed to revise regulations in 27 CFR Part 19 and replace the current four report forms used by distilled spirits plants to report their operations on a monthly basis with just two new report forms that would be submitted on a monthly basis (plants that qualify to file taxes on a quarterly basis would submit the new reports on a quarterly basis). | NPRM published December 5, 2011 (76 FR 75836). Comment period will be re-opened in June 2013 for public comment on revised forms; final rule anticipated early 2014. | 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 halving the number of monthly plant operations reports that must be completed and filed by industry members and processed by TTB.<br><br>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. |

**DEPARTMENT OF THE TREASURY**
**Implementation of Retrospective Review Plans**
**Status Report - January 2013**

| | | | | | |
|---|---|---|---|---|---|
| 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 2013. | The proposed regulations would streamline the Circular 230 rules regarding written advice and make other necessary amendments to Circular 230.<br><br>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.<br><br>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. |
| 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 2013. | 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 2013**

| | | | | | |
|---|---|---|---|---|---|
| Customs Revenue Function (Customs and Border Protection (CBP)) | 1515-AD69 | Informal Entry Limit and Removal of a Formal Entry Requirement | Increases the informal entry limit from $2,000 to its statutory maximum of $2,500 and removes language requiring formal entry for certain articles, because with the elimination of absolute quotas under the Agreement on Textiles and Clothing, CBP no longer needs to require formal entries for these articles. | Final rule published on December 6, 2012 (77 FR 72715), and became effective on January 7, 2013. | This rulemaking change to increase the informal entry limit mitigates the effects of inflation and thereby reduces the burden on importers and other entry filers. In addition, this final rule also comports with the Beyond the Border Initiative of the United States and Canada, which began on February 4, 2011, because it harmonizes the value thresholds to $2,500 for expedited customs clearance from the current levels of $2,000 for the United States and $1,600 for Canada. Prior to the issuance of the Final rule, with respect to any merchandise valued over $2,000, CBP required importers to provide a surety bond, and pay a minimum of $25 in ad valorem Merchandise Processing Fees (MPF); however, the final rule increases the limit from $2,000 to $2,500, for which merchandise may qualify for an "informal entry", thereby eliminating the need for a surety bond, expediting the customs clearance process, and reducing the required MPF amount to $2 (assuming the entries are filed electronically). Importers of low value shipments will realize an annual benefit of an estimated $13 million. This rule also removes the formal entry requirement for certain articles that were formerly subject to absolute quotas under the Agreement on Textiles and Clothing. Lastly, this rule conforms the CBP regulations to reflect a recent statutory amendment that increased the ad valorem Merchandise Processing Fee (MPF) from 0.21 percent to 0.3464 percent. |
| 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 2013. | 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 2013**

| | | | | | |
|---|---|---|---|---|---|
| Internal Revenue Service (IRS) | 1. 1545–BK23<br><br>2. 1545–BJ55 | 1. Longevity Annuity Contracts.<br><br>2. Modifications to Minimum Present Value Requirements for Partial Annuity Distribution Options Under Defined Benefit Pension Plans. | 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.<br><br>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. | NPRM for each item published on February 3, 2012 (77 FR 5443 and 77 FR 5454). Final rules anticipated 2013. | 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. |

**DEPARTMENT OF THE TREASURY**
**Implementation of Retrospective Review Plans**
**Status Report - January 2013**

| | | | | | |
|---|---|---|---|---|---|
| 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 2013. | 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). | 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 2013**

| | | | | | |
|---|---|---|---|---|---|
| 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 expenses 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 2013. | These proposed regulations assist in tax compliance because they update the rules to be consistent with a 2008 U.S. Supreme Court opinion. |

**DEPARTMENT OF THE TREASURY**
**Implementation of Retrospective Review Plans**
**Status Report - January 2013**

| | | | | | |
|---|---|---|---|---|---|
| Internal Revenue Service (IRS) | 1545-BD81 | Methods of Accounting Used by Corporations That Acquire the Assets of Other Corporations | Final regulations under sections 381(c)(4) and (c)(5) to provide consistency in the methods of accounting used by a corporation that acquires the assets of another corporation in a section 381(a) transactions. Both regulatory sections address these issues but provide disparate treatment depending on whether the method change is subject to section 381(c)(4) or section 381(c)(5). | Final rule published August 1, 2011 (76 FR 45673). Rev. Rul. 2012-39 issued September 4, 2012. | Under the prior regulations, taxpayers were required to request a private letter ruling to determine methods of accounting to be used following a section 381 transaction if the methods could not be determine under general tests. The revised regulations provide default rules to determine the methods when the general tests do not, eliminating the burden and cost of requesting a private letter ruling. The quantity of decrease in cost and burden is not known. An update to the accounting method change revenue procedure was made to further simplify method changes related to the revised regulations. |
| Customs Revenue Function (Customs and Border Protection (CBP)) | 1515-AD67 | Courtesy Notice of Liquidation | The Department and CBP have issued a final rule eliminating the mailing of paper "courtesy" notices of liquidation, which provide informal, advanced notice of the liquidation date to the importers of record whose entry summaries are electronically filed in the Automated Broker Interface (ABI), while maintaining paper notices for all non-ABI filed entries. | Final rule published August 17, 2011 (76 FR 50883). | This effort to proceed only electronically streamlines the notification process and reduced printing and mailing costs for CBP. By eliminating 90% of the courtesy notices that CBP mails to the importers, CBP will save approximately $3.8 million a year taking into consideration postage, cost of forms, and cost of agency's labor. The ABI filer is already provided an electronic courtesy notice. All importers will be able to view their liquidation reports electronically through the enhanced Automated Commercial Environment (ACE) portal. |

**DEPARTMENT OF THE TREASURY**
**Implementation of Retrospective Review Plans**
**Status Report - January 2013**

| | | | | | |
|---|---|---|---|---|---|
| Internal Revenue Service (IRS) | 1545–BH28 | Implementation of Form 990 | Final regulations update various existing regulations as a result of the IRS's redesign of Form 990, "Return of Organization Exempt From Income Tax." The redesign was initiated because the form had not been significantly revised since 1979 and both the IRS and stakeholders regarded the form as needing major revision to keep pace with changes in the law and with the increasing size, diversity, and complexity of the exempt sector. | Final rule published September 8, 2011 (76 FR 5746). | The final regulations eliminate the advance ruling process. Under the former advance ruling process, an applicant organization was granted public charity status conditionally for its first five years, after which it had to come back and demonstrate it had sufficient public support to be classified as a public charity rather than a private foundation. Over the four year period ending in 2008, on average approximately 21,500 organizations each year came back to the IRS to demonstrate that they met the public support test at the end of the five year advance ruling period. The amount of burden reduction cannot be further quantified. |
| Departmental Offices (DO); Office of Financial Stability | 1505-AC05 | Emergency Economic Stabilization Act; Conflicts of Interest | This rule provides guidance on conflicts of interest pursuant to section 108 of the Emergency Economic Stabilization Act of 2008. | Final rule published October 3, 2011 (76 FR 61046). | By finalizing the interim rule, the Department is providing greater certainty to those entities affected by the regulations. |

**DEPARTMENT OF THE TREASURY**
**Implementation of Retrospective Review Plans**
**Status Report - January 2013**

| | | | | | |
|---|---|---|---|---|---|
| Departmental Offices - Office of Foreign Assets Control (OFAC) | n/a | Taliban (Afghanistan) Sanctions Regulations; Regulations Prohibiting Transactions Involving the Shipment of Certain Merchandise Between Foreign Countries; and others | These regulations relate to economic sanctions against North Korea, the Taliban, and the Former Yugoslavia that have been terminated and, in some cases, replaced by new sanctions programs. | Final rules published June 29, 2011 (76 FR 38000); 6/20/11 (76 FR 35739); June 1, 2011 (76 FR 31470). | OFAC has removed Parts 500, 505, 545, 585, 586, and 587 of 31 CFR Chapter V in order to streamline its regulations and remove outdated material. |

| 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 | 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. | 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 | Raising the IRS Schedule M-3 Reporting Requirements for Large and Foreign Corporations to $25 Million | With this initiative IRS is proposing to raise Schedule M-3 (Net Income/Loss Reconciliation) reporting requirements to business taxpayers, filing as a corporation or partnership, with over $25 million in assets. Currently, the reporting threshold is set at $10 million assets. Information on the Schedule M-3 is used by the IRS for workload selection purposes, as a result, changes to the M-3 would make it more difficult to target return selection to those taxpayers with the highest indicators of compliance risk. However, 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 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 | Office-in-the-Home Optional Deduction | 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 deprecation 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. | 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 | January 2015 |
| Treasury | IRS | Amended Form 1099 Filing Requirements Threshold | IRS is proposing to simplify procedures for small amendments of certain Forms 1099 generally issued by financial institutions (e.g., 1099-DIV, 1099-INT, 1099-OID, 1099-R). In instances where information returns and payee statements are in error, there are costs associated with processing the corrections for all parties involved especially when the correction takes place long after the initial statement was created. For corrections representing an inconsequential amount of money, the IRS is considering reducing burden by eliminating corrected 1099s for very small changes that would not have provided a decrease in a taxpayer's federal tax liability. | 500,000 | Effective for tax year 2013 returns which are filed in calendar year 2014. |
| Treasury | TTB | Reduction of Excise Tax Return Filing Frequency for Small Brewers | 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. |
| Treasury | TTB | Reduction of Filing Frequency of Brewer's Report of Operations (TTB Forms 5130.9 and 5130.26) | 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 is estimating that the NPRM will be published in 2013. |

| Agency | Sub-Agency | Title - RIN | Description of the initiative | Hours of paperwork reporting eliminated | Estimated effective date of the change |
|---|---|---|---|---|---|
| Treasury | TTB | Reduced Filing Requirements for TTB Form - Formula and/or Process for Article Made With Specially Denatured Spirits (Form 5150.19) | 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. | 1,932 | TTB is estimating, for purposes of the Unified Agenda, that the NPRM will be published by 4/2013. |