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From:

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To:

Cc:

Subject: RE: New I.R.C. § 6103(e)(10)

The amendment to section 6103(e) should not affect any disclosures in TEFRA proceedings under section 6103(h)(4)(A). Section 6103(h)(4)(A) provides that taxpayer information may be disclosed to all parties in a federal judicial or administrative proceeding. All direct and indirect partners in a TEFRA partnership are parties to the administrative proceeding (i.e., the audit) and the subsequent litigation. The 9th Circuit so held in Abelein v. U.S., 323 F.3d 1210, 91 A.F.T.R.2d 2003-1476, 2003-1 USTC P 50,331. So while we will have to be more careful for disclosures outside of TEFRA under the amendment to section 6103(e), the new legislation should not affect our disclosures made as part of a TEFRA audit and litigation.

Thus, we may continue to issue the Form 886-Z under section 6103(h)(4)(A) since this provides an exception to 6103(e). That said, we should nevertheless respect partner privacy to the extent their personal information is not directly relevant to the TEFRA proceeding.

