

106TH CONGRESS
2D SESSION

H. R. 5044

To amend the Internal Revenue Code of 1986 to clarify the confidentiality of certain documents relating to closing agreements and agreements with foreign governments.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2000

Mr. HOUGHTON (for himself and Mr. SAM JOHNSON of Texas) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to clarify the confidentiality of certain documents relating to closing agreements and agreements with foreign governments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CONFIDENTIALITY OF CERTAIN DOCUMENTS**
4 **RELATING TO CLOSING AGREEMENTS AND**
5 **AGREEMENTS WITH FOREIGN GOVERN-**
6 **MENTS.**

7 (a) TREATMENT AS RETURN INFORMATION.—Para-
8 graph (2) of section 6103(b) of the Internal Revenue Code

1 of 1986 (defining return information) is amended by strik-
2 ing “and” at the end of subparagraph (B) and by insert-
3 ing after subparagraph (C) the following new subpara-
4 graphs:

5 “(D) any closing agreement under section
6 7121 and any background file document related
7 to such agreement, and

8 “(E)(i) any agreement relating to a named
9 taxpayer entered into by the Secretary with the
10 competent authority of a foreign government
11 pursuant to—

12 “(I) an income tax or gift and estate
13 tax convention, or

14 “(II) any other convention or bilateral
15 agreement providing for the avoidance of
16 double taxation, the prevention of fiscal
17 evasion, nondiscrimination with respect to
18 taxes, or the exchange of tax relevant in-
19 formation with the United States,

20 “(ii) any background file information re-
21 lated to such agreement relating to a named
22 taxpayer,

23 “(iii) any document implementing such
24 agreement relating to a named taxpayer, and

1 “(iv) any application for relief under any
2 such convention or bilateral agreement,”

3 (b) EXCEPTION FROM PUBLIC INSPECTION AS WRIT-
4 TEN DETERMINATION.—Paragraph (1) of section 6110(b)
5 of such Code is amended to read as follows:

6 “(1) WRITTEN DETERMINATION.—

7 “(A) IN GENERAL.—The term ‘written
8 determination’ means a ruling, determination
9 letter, technical advice memorandum, or Chief
10 Counsel advice.

11 “(B) EXCEPTIONS.—Such term shall not
12 include any agreement, document, or applica-
13 tion referred to in subparagraph (C), (D), or
14 (E) of section 6103(b)(2).”

15 (c) EXPANSION OF CLOSING AGREEMENT AUTHOR-
16 ITY.—Subsection (a) of section 7121 of such Code is
17 amended by adding at the end the following new sentence:
18 “Such an agreement may be entered into at any time.”

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect on the date of the enactment
21 of this Act.

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