

Dated: March 2, 2016.

**Chuck Rosenberg,**

*Acting Administrator.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9757]

RIN 1545-BM98

#### Consistent Basis Reporting Between Estate and Person Acquiring Property From Decedent

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Temporary regulations.

**SUMMARY:** This document contains temporary regulations that provide transition rules providing that executors and other persons required to file or furnish a statement under section 6035(a)(1) or (a)(2) before March 31, 2016, need not do so until March 31, 2016. These temporary regulations are applicable to executors and other persons who file after July 31, 2015, returns required by section 6018(a) or (b).

**DATES:** *Effective date.* These regulations are effective on March 4, 2016.

*Applicability dates:* For date of applicability, see § 1.6035-2T(b).

**FOR FURTHER INFORMATION CONTACT:** Theresa Melchiorre (202) 317-6859 (not a toll-free number).

#### Background

On July 31, 2015, the President of the United States signed into law *H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015*, Public Law 114-41, 129 Stat. 443 (Act). Section 2004 of the Act added new section 6035.

Section 6035 imposes reporting requirements with regard to the value of property included in a decedent's gross estate for federal estate tax purposes. Section 6035(a)(1) provides that the executor of any estate required to file a return under section 6018(a) must furnish, both to the Secretary and to the person acquiring any interest in property included in the decedent's gross estate for federal estate tax purposes, a statement identifying the value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

Section 6035(a)(2) provides that each other person required to file a return under section 6018(b) must furnish, both to the Secretary and to each person who holds a legal or beneficial interest in the property to which such return relates, a statement identifying the same information described in section 6035(a)(1).

Section 6035(a)(3)(A) provides that each statement required to be furnished under section 6035 (a)(1) or (2) is to be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of (i) the date which is 30 days after the date on which the return under section 6018 was required to be filed (including extensions, if any) or (ii) the date which is 30 days after the date such return is filed.

On August 21, 2015, the Treasury Department and the IRS issued Notice 2015-57, 2015-36 IRB 294. Notice 2015-57 delays until February 29, 2016, the due date for any statements required by section 6035 that are due before that same date.

On February 11, 2016, the Treasury Department and the IRS issued Notice 2016-19, 2016-09 IRB. That notice provides that executors or other persons required to file or furnish a statement under section 6035(a)(1) or (a)(2) before March 31, 2016, need not do so until March 31, 2016.

#### Explanation of Provisions

These temporary regulations reiterate that executors or other persons required to file or furnish a statement under section 6035(a)(1) or (a)(2) before March 31, 2016, need not do so until March 31, 2016. The text of these temporary regulations also serves as the text of the proposed regulations under § 1.6035-2 in the related notice of proposed rulemaking (REG-127923-15) in the Proposed Rules section of this issue of the **Federal Register**. These temporary regulations are issued within 18 months of the date of the enactment of the statutory provisions to which the temporary regulations relate and, as authorized by section 7805(b)(2), are effective/applicable to executors and other persons who file a return required by section 6018(a) or (b) after July 31, 2015.

#### Statement of Availability of IRS Documents

IRS Revenue Procedures, Revenue Rulings notices, notices and other guidance cited in this preamble are published in the Internal Revenue Bulletin (or Cumulative Bulletin) and are available from the Superintendent of Documents, U.S. Government Printing

Office, Washington, DC 20402, or by visiting the IRS Web site at <http://www.irs.gov>.

#### Special Analyses

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. Therefore, a regulatory impact assessment is not required. In addition, section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations because they are excepted from the notice and comment requirements of section 553(b) and (c) of the Administrative Procedure Act under the interpretative rule and good cause exceptions provided by section 553(b)(3)(A) and (B) of that Act. The Act included an immediate effective date, thus making the first required statements due 30 days after enactment. It is necessary to provide more time to provide the statements required by section 6035(a) to allow the Treasury Department and the IRS sufficient time to issue both substantive and procedural guidance on how to comply with the section 6035(a) requirement and to provide executors and other affected persons the opportunity to review this guidance before preparing the required statements. These regulations reiterate the relief in Notice 2016-19 and, because of the immediate need to provide relief, notice and public comment pursuant to 5 U.S.C. 553(b) and (c) is impracticable, unnecessary, and contrary to the public interest. For the applicability of the Regulatory Flexibility Act (5 U.S.C. chapter 6), please refer to the Special Analyses section of the preamble to the cross-referenced notice of proposed rulemaking published in the Proposed Rules section in this issue of the **Federal Register**. Pursuant to section 7805(f) of the Internal Revenue Code (Code), these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

#### Drafting Information

The principal author of these temporary regulations is Theresa Melchiorre, Office of the Associate Chief Counsel (Passthroughs and Special Industries). Other personnel from the Treasury Department and the IRS participated in their development.

#### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

## Temporary Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

### PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 is amended by adding an entry in numerical order to read in part as follows:

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

\* \* \* \* \*

Section 1.6035-2T also issued under 26 U.S.C. 6035.

\* \* \* \* \*

■ **Par. 2.** Section 1.6035-2T is added to read as follows:

#### § 1.6035-2T Transitional relief.

(a) *Statements due before March 31, 2016.* Executors and other persons required to file or furnish a statement under section 6035(a)(1) or (a)(2) before March 31, 2016, need not do so until March 31, 2016.

(b) *Effective/applicability date.* This section is effective/applicable to executors and other persons who file a return required by section 6018(a) or (b) after July 31, 2015.

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement,*

Approved: January 22, 2016.

**Mark J. Mazur,**

*Assistant Secretary of Treasury (Tax Policy).*

[FR Doc. 2016-04716 Filed 3-2-16; 4:15 pm]

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## DEPARTMENT OF THE TREASURY

### Bureau of Engraving and Printing

#### 31 CFR Part 605

#### Conduct on Bureau of Engraving and Printing Property

**AGENCY:** Bureau of Engraving and Printing, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Department of the Treasury, Bureau of Engraving and Printing (BEP or Bureau) is amending its regulations in order to remove certain obsolete language, clarify the rules of conduct on the property, and increase the maximum penalty amount permitted for violations to \$5,000 in accordance with the United States Code.

**DATES:** This regulation is effective April 4, 2016.

**FOR FURTHER INFORMATION CONTACT:** Mark Hoggan, Attorney-Advisor, Office

of the Chief Counsel, Department of the Treasury, Bureau of Engraving and Printing, by phone at (202) 874-2500.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The mission of the Bureau of Engraving and Printing is to develop and produce United States currency notes, trusted worldwide. BEP prints billions of dollars in currency—referred to as Federal Reserve notes—each year for delivery to the Federal Reserve System. Due to the sensitive nature of currency production operations, the Bureau is generally closed to the public. Limited areas of the Bureau, however, are accessible for public tours during certain authorized dates and times. Any individual entering, exiting, or on the Bureau's property is subject to the rules of conduct as prescribed within the regulations, and violations may result in criminal prosecution. The BEP has a high degree of security due to producing United States currency notes, and individuals entering, exiting, and on the property are placed on notice that they are subject to search and inspection of their person, personal items and property while entering, exiting, and on the property.

This final rule updates the Bureau's 1994 (59 FR 41978) regulations that concern conduct on BEP property. The final rule removes certain obsolete language, clarifies the rules of conduct on the property, and increases the maximum penalty amount permitted for violations to \$5,000 in accordance with 18 U.S.C. 3571. The final rule also omits the term *Special* as used in the previous regulations when referring to the BEP Police. The term *Special* was unnecessary and could lead to potential confusion. This change has no effect on the legal authority and jurisdiction of the BEP Police. The rights and responsibilities of the BEP Police remain unchanged.

The notice of proposed rulemaking was published on December 10, 2015, and provided a 60-day comment period, which ended on February 8, 2016. No comments were received. Based on the rationale set forth in the **SUPPLEMENTARY INFORMATION** to the notice of proposed rulemaking and in this final rule, the BEP is adopting the proposed rule as a final rule with the slight modifications of adding the words "search or" before the word "inspection" in paragraphs (b)(6), (b)(7), and (b)(8) to ensure clarity and consistency between related provisions.

##### II. Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act (5 U.S.C 601 *et seq.*), the

Bureau certifies that this final rule will not have a significant economic impact on a substantial number of small entities because this final rule primarily affects individuals accessing BEP property and is not likely to affect any small businesses.

##### III. Unfunded Mandates Reform Act of 1995

The Bureau certifies that no actions were deemed necessary under the Unfunded Mandates Reform Act of 1995. Furthermore, this final 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 will not significantly or uniquely affect small governments.

##### IV. Regulatory Planning and Review (Executive Orders 12866 and 13563)

This final rule is not a significant regulatory action as defined in Executive Order 12866. Executive Order 13563 calls for public participation and an open exchange of ideas in the regulatory process and seeks regulations that are accessible, consistent, written in plain language, and easy to understand. The Bureau has developed this final rule in a manner consistent with these principles.

##### List of Subjects in 31 CFR Part 605

Federal buildings and facilities.

For the reasons stated in the preamble, the Bureau of Engraving and Printing amends 31 CFR part 605 to read as follows:

#### PART 605—REGULATIONS GOVERNING CONDUCT IN BUREAU OF ENGRAVING AND PRINTING BUILDINGS AND ON THE GROUNDS OF WASHINGTON, DC AND FORT WORTH, TEXAS

■ 1. The authority citation for part 605 continues to read as follows:

**Authority:** 5 U.S.C. 301; Delegation, Administrator, General Services, dated December 3, 1992; Treasury Delegation, Assistant Secretary (Management), dated February 4, 1993.

■ 2. Revise § 605.1 to read as follows:

##### § 605.1 Conduct on Bureau of Engraving and Printing property.

(a) *Applicability.* These regulations apply to the buildings and grounds of the Bureau of Engraving and Printing (BEP) located in Washington, DC, at 14th and C Streets SW., and in Fort Worth, Texas, at 9000 Blue Mound Road, and to all persons entering on such property. Unless otherwise stated, BEP buildings and grounds are referred