

[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[Reg-251502-96]

RIN 1545-AU68

Civil Cause of Action for Certain Unauthorized Collection Actions

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed rulemaking.

SUMMARY: This document withdraws the notice of proposed rulemaking relating to Internal Revenue Code section 7433 that was published in the **Federal Register** on Wednesday, December 31, 1997. The proposed regulations implemented provisions of the Taxpayer Bill of Rights 2 (TBOR2). TBOR2 raised the cap on damages under section 7433 and eliminated the jurisdictional prerequisite requiring a taxpayer to exhaust administrative remedies before filing a civil damage action.

FOR FURTHER INFORMATION CONTACT: Kevin Connelly, 202-622-3630 (not a toll-free number).

SUPPLEMENTAL INFORMATION:

Background

On Wednesday, December 31, 1997, the IRS issued proposed regulations titled Civil Cause of Action for Certain Unauthorized Collections Actions (62 FR 68242). Because the Internal Revenue Service Restructuring and Reform Act of 1998 substantially amended section 7433, including sections that TBOR2 had previously amended, we are withdrawing these proposed regulations (REG-251502-96). A new

notice of proposed rulemaking containing both the statutory provisions of TBOR2 and RRA1998 with respect to damage actions under section 7433, as well as section 7426, has been opened.

List of Subjects in 26 CFR Part 301

Employment taxes, Estate Taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking that was published in the **Federal Register** on Wednesday, December 31, 1997 (62 FR 68242) is withdrawn.

Robert E. Wenzel

Commissioner of Internal Revenue