

FEBRUARY 10, 1939
[H. R. 2762]
[PUBLIC, No. 1]
Chapter 2

INTERNAL REVENUE CODE

Intended to Include All General and Permanent Laws of the United States and Parts of Such Laws, Relating Exclusively to Internal Revenue, in Force on January 2, 1939, and All Internal Revenue Laws Relating to Temporary Internal Revenue Taxes the Occasion for Which Arises After the Effective Date of the Code

FIRST SESSION OF THE SEVENTY-SIXTH CONGRESS
OF THE
UNITED STATES OF AMERICA

AN ACT

To consolidate and codify the internal revenue laws of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the laws of the United States hereinafter codified and set forth as a part of this act under the heading "Internal Revenue Title" are hereby enacted into law.

SEC. 2. CITATION.—This act and the internal revenue title incorporated herein shall be known as the Internal Revenue Code and may be cited as "I. R. C."

SEC. 3. EFFECTIVE DATE.—Except as otherwise provided herein, this act shall take effect on the day following the date of its enactment.

SEC. 4. REPEAL AND SAVINGS PROVISIONS.—(a) The Internal Revenue Title, as hereinafter set forth, is intended to include all general laws of the United States and parts of such laws, relating exclusively to internal revenue, in force on the 2d day of January 1939 (1) of a permanent nature and (2) of a temporary nature if embraced in said Internal Revenue Title. In furtherance of that purpose, all such laws and parts of laws codified herein, to the extent they relate exclusively to internal revenue, are repealed, effective, except as provided in section 5, on the day following the date of the enactment of this act.

(b) Such repeal shall not affect any act done or any right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before the said repeal, but all rights and liabilities under said acts shall continue, and may be enforced in the same manner, as if said repeal had not been made; nor shall any office, position, employment, board, or committee, be abolished by such repeal, but the same shall continue under the pertinent provisions of the Internal Revenue Title.

(c) All offenses committed, and all penalties or forfeitures incurred under any statute hereby repealed, may be prosecuted and punished in the same manner and with the same effect as if this act had not been passed.

(d) All acts of limitation, whether applicable to civil causes and proceedings, or to the prosecution of offenses, or for the recovery of penalties or forfeitures, hereby repealed shall not be affected thereby, but all suits, proceedings, or prosecutions, whether civil or criminal, for causes arising, or acts done or committed, prior to said repeal, may be commenced and prosecuted within the same time as if this act had not been passed.

(e) The authority vested in the President of the United States, or in any officer or officers of the Treasury Department, by the law as it existed immediately prior to the enactment of this act, hereafter to give publicity to tax returns required under any internal revenue law in force immediately prior to the enactment of this act or any information therein contained, and to furnish copies thereof and to prescribe the terms and conditions upon which such publicity may be given or such copies furnished, and to make rules and regulations with respect to such publicity, is hereby preserved. And the provisions of law authorizing such publicity and prescribing the terms, conditions, limitations, and restrictions upon such publicity and upon the use of the information gained through such publicity and the provisions of law prescribing penalties for unlawful publicity of such returns and for unlawful use of such information are hereby preserved and continued in full force and effect.

SEC. 5. CONTINUANCE OF EXISTING LAW.—Any provision of law in force on the 2d day of January 1939 corresponding to a provision contained in the Internal Revenue Title shall remain in force until the corresponding provision under such Title takes effect.

SEC. 6. ARRANGEMENT, CLASSIFICATION, AND CROSS REFERENCES.—The arrangement and classification of the several provisions of the Internal Revenue Title have been made for the purpose of a more convenient and orderly arrangement of the same, and, therefore, no inference, implication or presumption of legislative construction shall be drawn or made by reason of the location or grouping of any particular section or provision or portion thereof, nor shall any outline, analysis, cross reference, or descriptive matter relating to the contents of said Title be given any legal effect.

SEC. 7. EFFECT UPON SUBSEQUENT LEGISLATION.—The enactment of this act shall not repeal nor affect any act of Congress passed since the 2d day of January 1939, and all acts passed since that date shall have full effect as if passed after the enactment of this act; but, so far as such acts vary from, or conflict with, any provision contained in this act, they are to have effect as subsequent statutes, and as repealing any portion of this act inconsistent therewith.

SEC. 8. COPIES AS EVIDENCE OF ORIGINAL.—Copies of this act printed at the Government Printing Office and bearing its imprint shall be conclusive evidence of the original Internal Revenue Code in the custody of the Secretary of State.

SEC. 9. PUBLICATION.—The said Internal Revenue Code shall be published as a separate part of a volume of the United States Statutes at Large, with an appendix and index, but without marginal references; the date of enactment, bill number, public and chapter number shall be printed as a headnote.

SEC. 10. INTERNAL REVENUE TITLE.—The Internal Revenue Title, heretofore referred to, and hereby and herein enacted into law, is as follows:

INTERNAL REVENUE TITLE

TABLE OF SUBTITLES

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PUBLIC LAW 591 - CHAPTER 736
APPROVED AUGUST 16, 1954, 9:45 a. m., E. D. T.
H. R. 8300

Internal Revenue Code of 1954

ENACTED DURING THE
SECOND SESSION OF THE EIGHTY-THIRD CONGRESS
OF THE UNITED STATES OF AMERICA

*Begun and held at the City of Washington on
Wednesday, January 6, 1954.*

An Act

To revise the internal revenue laws of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) CITATION.—

(1) The provisions of this Act set forth under the heading "Internal Revenue Title" may be cited as the "Internal Revenue Code of 1954".

(2) The Internal Revenue Code enacted on February 10, 1939, as amended, may be cited as the "Internal Revenue Code of 1939".

(b) PUBLICATION.—This Act shall be published as volume 68A of the United States Statutes at Large, with a comprehensive table of contents and an appendix; but without an index or marginal references. The date of enactment, bill number, public law number, and chapter number, shall be printed as a headnote.

(c) CROSS REFERENCE.—For saving provisions, effective date provisions, and other related provisions, see chapter 80 (sec. 7801 and following) of the Internal Revenue Code of 1954.

(d) ENACTMENT OF INTERNAL REVENUE TITLE INTO LAW.—The Internal Revenue Title referred to in subsection (a) (1) is as follows:

INTERNAL REVENUE TITLE

- SUBTITLE A. Income taxes.
- SUBTITLE B. Estate and gift taxes.
- SUBTITLE C. Employment taxes.
- SUBTITLE D. Miscellaneous excise taxes.
- SUBTITLE E. Alcohol, tobacco, and certain other excise taxes.
- SUBTITLE F. Procedure and administration.
- SUBTITLE G. The Joint Committee on Internal Revenue Taxation.

Subtitle A—Income Taxes

- CHAPTER 1. Normal taxes and surtaxes.
- CHAPTER 2. Tax on self-employment income.
- CHAPTER 3. Withholding of tax on nonresident aliens and foreign corporations and tax-free covenant bonds.
- CHAPTER 4. Rules applicable to recovery of excessive profits on government contracts.
- CHAPTER 5. Tax on transfers to avoid income tax.
- CHAPTER 6. Consolidated returns.

CHAPTER 1—NORMAL TAXES AND SURTAXES

- SUBCHAPTER A. Determination of tax liability.
- SUBCHAPTER B. Computation of taxable income.
- SUBCHAPTER C. Corporate distributions and adjustments.
- SUBCHAPTER D. Deferred compensation, etc.
- SUBCHAPTER E. Accounting periods and methods of accounting.
- SUBCHAPTER F. Exempt organizations.
- SUBCHAPTER G. Corporations used to avoid income tax on shareholders.
- SUBCHAPTER H. Banking institutions.
- SUBCHAPTER I. Natural resources.
- SUBCHAPTER J. Estates, trusts, beneficiaries, and decedents.
- SUBCHAPTER K. Partners and partnerships.
- SUBCHAPTER L. Insurance companies.
- SUBCHAPTER M. Regulated investment companies.
- SUBCHAPTER N. Tax based on income from sources within or without the United States.
- SUBCHAPTER O. Gain or loss on disposition of property.
- SUBCHAPTER P. Capital gains and losses.
- SUBCHAPTER Q. Readjustment of tax between years and special limitations.
- SUBCHAPTER R. Election of certain partnerships and proprietorships as to taxable status.

Subchapter A—Determination of Tax Liability

- Part I. Tax on individuals.
- Part II. Tax on corporations.
- Part III. Changes in rates during a taxable year.
- Part IV. Credits against tax.

PART I—TAX ON INDIVIDUALS

- Sec. 1. Tax imposed.
- Sec. 2. Tax in case of joint return or return of surviving spouse.
- Sec. 3. Optional tax if adjusted gross income is less than \$5,000.
- Sec. 4. Rules for optional tax.
- Sec. 5. Cross references relating to tax on individuals.

UNITED STATES STATUTES AT LARGE

CONTAINING THE

LAWS AND CONCURRENT RESOLUTIONS
ENACTED DURING THE FIRST SESSION OF THE
SEVENTY-SIXTH CONGRESS
OF THE UNITED STATES OF AMERICA

1939

AND

TREATIES, INTERNATIONAL AGREEMENTS OTHER
THAN TREATIES, AND PROCLAMATIONS

COMPILED, EDITED, INDEXED, AND PUBLISHED BY AUTHORITY OF LAW
UNDER THE DIRECTION OF THE SECRETARY OF STATE

VOLUME 53

PART 1

INTERNAL REVENUE CODE

APPROVED FEBRUARY 10, 1939



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GOVERNMENT PRINTING OFFICE
WASHINGTON : 1939

For sale by the
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PREFACE

The Internal Revenue Code, approved February 10, 1939, and published in this volume as Public Act No. 1 of the Seventy-sixth Congress, is the first Federal act of its kind since the Revised Statutes of the United States, approved June 22, 1874. Title XXXV of the Revised Statutes embraces the general and permanent statutes relating exclusively to internal revenue, in force on December 1, 1873.

The internal revenue title, which comprises all of the Code except the preliminary sections relating to its enactment, is intended to contain all the United States statutes of a general and permanent nature relating exclusively to internal revenue, in force on January 2, 1939; also such of the temporary statutes of that description as relate to taxes the occasion of which may arise after the enactment of the Code. These statutes are codified without substantive change and with only such change of form as is required by arrangement and consolidation. The title contains no provision, except for effective date, not derived from a law approved prior to January 3, 1939.

The derivation of the title, in its textual sequence, is shown in the appendix, part I, table A. Conversely, the placement of the statutes in the title, cited in their chronological order, is shown in table B. The Revised Statutes of the United States and the Statutes at Large of the United States are the sources of the law codified. The Revised Statutes cover the period ended December 1, 1873. The Statutes at Large codified cover the period following December 1, 1873, and are published in the 35 volumes numbered 18 to 52, inclusive. The separate enactments carried into the internal revenue title, wholly or in part, from the Statutes at Large are 143 in number, exclusive of 93 statutes involving express amendment, reenactment, or repeal. The 277 Revised Statutes sections codified were derived from 21 basic statutes. The whole body of internal revenue law in effect on January 2, 1939, therefore, has its ultimate origin in 164 separate enactments of Congress. The earliest of these was approved July 1, 1862; the latest, June 16, 1938.

The Internal Revenue Code is an enactment without change of the 1939 edition of the Codification of Internal Revenue Laws prepared by Mr. Colin F. Stam and Mr. L. L. Stratton, of the staff of the Joint Committee on Internal Revenue Taxation, with the assistance of the Department of the Treasury and the Department of Justice. The bill embodying that codification, H. R. 2762, was introduced on January 18, 1939, by Mr. Doughton, of North Carolina, chairman of the Committee on Ways and Means of the House of Representatives and vice chairman of the Joint Committee on Internal Revenue Taxation. Mr. Doughton submitted the unanimously favorable report of the Committee on Ways and Means on January 20. Unanimous consent for consideration of the bill was requested and objected to on January 23. It was called up on the following Calendar Wednesday, January 25, and passed on that date by a vote of 350 to 16. On January 27, the bill was messaged to the Senate and referred to the Committee on Finance, before whom a hearing was held on the 30th. At the direction of Mr. Harrison, of Mississippi, chairman of the Joint Committee on Internal Revenue Taxation and of the Committee

on Finance, Mr. George, of Georgia, a member of both committees, submitted the unanimously favorable report of the Committee on Finance on February 1. The bill was considered by the Senate on the following day and passed without a record vote.

The 1939 codification was the fourth to be published by the staff of the Joint Committee on Internal Revenue Taxation. The first, published in 1930, embraced the general and permanent internal revenue laws in force on December 1, 1930; the second, published in 1933, the laws in force on July 16, 1932; and the third, published in 1938, the laws in force at the beginning of that year.

In the preparation of these codifications, invaluable assistance was received from the Department of the Treasury, the Department of Justice, and the Legislative Reference Service of the Library of Congress. To the Division of Research and Publication of the Department of State grateful acknowledgment is made of the index to this volume and of their expert aid in the revision of the proof of the appendix.

The appendix, published under the provisions of section 9 of the Internal Revenue Code, is divided into four parts. Part I consists of tables of reference to internal revenue statutes. Tables A and B have been described above. Table C cites the statutes expressly repealed, in whole or in part, together with the repealing statutes. Table D cites the statutes expressly amended or reenacted, with the amending or reenacting statutes. The derivation of the sections of the Revised Statutes relating to internal revenue is shown in table E. Mr. W. H. McClenon, of the Legislative Reference Service of the Library of Congress, rendered indispensable aid in the preparation of these tables, as well as of the Code generally.

Part II of the appendix contains the provisions of the Constitution of the United States relating to taxation.

Part III of the appendix, prepared by the Department of the Treasury, contains miscellaneous statutory and treaty provisions affecting the administration of internal revenue laws but omitted from the Code for the reason that they are of a temporary nature or do not relate exclusively to internal revenue.

Part IV of the appendix digests several court opinions construing the repeal provisions of the Revised Statutes. The similarity of the repeal provisions of the Revised Statutes and those of the Code suggests the possible applicability of these decisions to questions that may arise affecting the Code.

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NOTICE

The original of every act and joint resolution printed in this volume has the following heading:

SEVENTY-SIXTH CONGRESS OF THE UNITED STATES OF AMERICA;

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the third
day of January, one thousand nine hundred and thirty-nine

All bills and joint resolutions presented to the President of the United States bear the signatures of the Speaker (or of the Speaker *pro tempore*) of the House of Representatives and of the Vice President of the United States and President of the Senate (or of the President of the Senate *pro tempore*); those signatures accordingly appear on the originals of all acts and joint resolutions.

The signature of the President of the United States appears on the originals of all approved acts and joint resolutions.

The original of every act and joint resolution has endorsed thereon a certificate of origin, signed, as the case may be, by the Clerk of the House of Representatives or by the Secretary of the Senate and reading "I certify that this Act (or Joint Resolution) originated in the House of Representatives (or Senate)." The origin of the act contained in this part of the volume, as indicated by "H. R. 2762" in the headnote on page 1, was in the House of Representatives.

INTERNAL REVENUE CODE

BY ORDER OF THE SECRETARY OF THE TREASURY

TREASURY ORDER 150-01

DATE: September 28, 1995

SUNSET REVIEW: September 28, 2000

SUBJECT: Regional and District Offices of the Internal Revenue Service

Under the authority given to the President to establish and alter internal revenue districts by Section 7621 of the Internal Revenue Code of 1986, as amended, and vested in the Secretary of the Treasury by Executive Order 10289 (approved September 17, 1951, as amended) as made applicable to Section 7621 of the Internal Revenue Code of 1986, as amended (as previously contained in the Internal Revenue Code of 1954) by Executive Order 10574 (approved November 5, 1954); under the authority vested in the Secretary of the Treasury by 31 U.S.C. §§321 (a), (b) and Reorganization Plan No. 1 of 1952 as made applicable to the Internal Revenue Code of 1986, as amended, by Section 7804(a) of such Code; and under the authority vested in the Secretary of the Treasury by Sections 7801(a) and 7803 of the Internal Revenue Code of 1986, as amended; the following internal revenue districts and regions are established or continued as described in this Order. When fully implemented, this Order establishes fewer internal revenue regions and districts than designated in previous Orders.

1. Regions. Four regions are established which shall be identified as Northeast Region, headquartered at New York, New York; Southeast Region, headquartered at Atlanta, Georgia; Midstates Region, headquartered at Dallas, Texas; and Western Region, headquartered at San Francisco, California. The head of each regional office shall bear the title "Regional Commissioners identified by the region name. The geographic areas and internal revenue districts within each region are shown in the Attachment to this Order.
2. Districts. Thirty-three districts are established. Each shall be known as an internal revenue district and shall be identified by the names listed in the Attachment. The head of each district office shall be titled "Director" identified by the district name as specified in the Attachment. The geographic areas within each district are shown in the Attachment.
3. U.S. Territories and Insular Possessions. The Commissioner of Internal Revenue shall, to the extent of authority vested in the Commissioner, provide for the administration of the United States internal revenue laws in the U.S. territories and insular possessions and other areas of the world.
4. Implementation. The district and regional organization described above shall be implemented on dates determined by the Commissioner of Internal Revenue. Until such dates, the existing offices are authorized to continue. Effective immediately, the Commissioner is authorized to effect such transfers of functions, personnel, positions, equipment and funds as may be necessary to implement the provisions of this Order.
5. Other Offices. This Order affects only the regional and district offices subject to this Order and does not affect service centers or other offices in existence within the Internal Revenue Service.
6. Effect On Prior Treasury Orders.
 - a. TO 150-01, "Designation of Internal Revenue Districts," dated October 27, 1987, is superseded.
 - b. TO 150-03, "Designation of Internal Revenue Regions and Regional Service Centers," dated January 24, 1986, is superseded.

Robert E. Rubin

Secretary of the Treasury

OPI: Internal Revenue Service

Attachment

Regional and District Offices of the Internal Revenue Service

District Name	Headquarters	Area Covered
SOUTHEAST REGION	Atlanta, Georgia	Alabama, Delaware, the District of Columbia, Florida, Georgia, Indiana, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia
North Florida District	Jacksonville, Florida	Florida counties: Alachua, Baker, Bay, Bradford, Brevard, Calhoun, Citrus, Clay, Columbia, Dixie, Duval, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Hernando, Hillsborough, Holmes, Jackson, Jefferson, Lafayette, Lake, Leon, Levy, Liberty, Madison, Marion, Nassau, Okaloosa, Orange, Osceola, Pasco, Pinellas, Polk, Putnam, Santa Rosa, Seminole, St. Johns, Sumter, Suwannee, Taylor, Union, Volusia, Wakulla, Walton and Washington
South Florida District	Fort Lauderdale, Florida	Florida counties: Broward, Charlotte, Collier, Dade, DeSoto, Glades, Hardee, Hendry, Highlands, Indian River, Lee, Manatee, Martin, Monroe, Okeechobee, Palm Beach, Sarasota and St. Lucie
Georgia District	Atlanta, Georgia	Georgia
Indiana District	Indianapolis, Indiana	Indiana
Gulf Coast District	New Orleans, Louisiana	Louisiana, Mississippi and Alabama
Delaware-Maryland District	Baltimore, Maryland	Delaware, Maryland and the District of Columbia
North-South Carolina District	Greensboro, North Carolina	North Carolina and South Carolina
Kentucky-Tennessee District	Nashville, Tennessee	Kentucky and Tennessee
Virginia-West Virginia District	Richmond, Virginia	Virginia and West Virginia
District Name	Headquarters	Area Covered
NORTHEAST REGION	New York, New York	Connecticut, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Vermont
Connecticut-Rhode Island District	Hartford, Connecticut	Connecticut and Rhode Island
Ohio District	Cincinnati, Ohio	Ohio
Michigan District	Detroit, Michigan	Michigan
New England District	Boston, Massachusetts	Maine, Massachusetts, New Hampshire and Vermont

New Jersey District	Newark, New Jersey	New Jersey
Brooklyn District	Brooklyn, New York	New York counties: Kings, Nassau, Queens and Suffolk
Upstate New York District	Buffalo, New York	New York counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautaugua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, St. Lawrence, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming and Yates
Manhattan District	New York, New York	New York counties: Bronx, New York, Richmond, Rockland and Westchester
Pennsylvania District	Philadelphia, Pennsylvania	Pennsylvania
District Name	Headquarters	Area Covered
MIDSTATES REGION	Dallas, Texas	Arkansas, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas and Wisconsin
Illinois District	Chicago, Illinois	Illinois
North Central District	St. Paul, Minnesota	Minnesota, North Dakota and South Dakota
Midwest District	Milwaukee, Wisconsin	Iowa, Nebraska and Wisconsin
Kansas-Missouri District	St. Louis, Missouri	Kansas and Missouri
Arkansas-Oklahoma District	Oklahoma City, Oklahoma	Arkansas and Oklahoma
North Texas District	Dallas, Texas	Texas counties: Anderson, Andrews, Angelina, Archer, Armstrong, Bailey, Baylor, Borden, Bowie, Briscoe, Brown, Callahan, Camp, Carson, Cass, Castro, Cherokee, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Comanche, Concho, Cooke, Cottle, Crane, Crockett, Crosby, Dallam, Dallas, Dawson, Deaf Smith, Delta, Denton, Dickens, Donley, Eastland, Ector, Ellis, Erath, Fannin, Fisher, Floyd, Foard, Franklin, Gaines, Garza, Glasscock, Gray, Grayson, Gregg, Hale, Hall, Hansford, Hardeman, Harrison, Hartley, Haskell, Hemphill, Henderson, Hockley, Hood, Hopkins, Houston, Howard, Hunt, Hutchinson, Irion, Jack, Johnson, Jones, Kaufman, Kent, King, Knox, Lamar, Lamb, Lipscomb, Loving, Lubbock, Lynn, Marion, Martin, Menard, Midland, Mills, Mitchell, Montague, Moore, Morris, Motley, Nacogdoches, Navarro, Nolan, Ochiltrie, Oldham, Palo Pinto, Panola, Parker, Parmer, PoKer, Rains, Randall, Reagan, Red River, Roberts, Rockwall, Runnels, Rusk, Sabine, San Augustine, Schleicher, Scurry, Shackelford, Shelby, Sherman, Smith, Stephens, Sterling, Stonewall, SuKon, Swisher, Tarrant, Taylor, Terry, Throckmorton, Titus, Tom Green, Upshur, Upton, Van Zandt, Ward, Wheeler, Wichita, Wilbarger, Winkler, Wise, Wood, Yoakum and Young
		Texas counties: Aransas, Atascosa, Austin, Bandera, Bastrop, Bee, Bell, Bexar, Blanco, Bosque, Brazos, Brewster, Brooks, Burleson, Burnet, Caldwell, Calhoun,

South Texas District	Austin, Texas	Cameron, Colorado, Comal, Coryell, Culberson, DeWick, Dimmit, Duval, Edwards, El Paso, Falls, Fayette, Freestone, Frio, Gillespie, Goliad, Gonzales, Grimes, Guadalupe, Hamilton, Hays, Hidalgo, Hill, Hudspeth, Jackson, Jeff Davis, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kimble, Kinney, Kleberg, Lampasas, LaSalle, Lavaca, Lee, Leon, Limestone, Live Oak, Llano, McCulloch, McLennan, McMullen, Madison, Mason, Matagorda, Maverick, Medina, Milam, Nueces, Pecos, Presidio, Real, Reeves, Refugio, Robertson, San Patricio, San Saba, Somervell, Starr, Terrell, Travis, Uvalde, Val Verde, Victoria, Waller, Washington, Webb, Wharton, Willacy, Williamson, Wilson, Zapata and Zavala
Houston District	Houston, Texas	Texas counties: Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Newton, Orange, Polk, San Jacinto, Trinity, Tyler and Walker
District Name	Headquarters	Area Covered
WESTERN REGION	San Francisco, California	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming
Southwest District	Phoenix, Arizona	Arizona, Nevada and New Mexico
Rocky Mountain District	Denver, Colorado	Colorado, Idaho, Montana, Utah and Wyoming
Northern California District	Oakland, California	Northern California counties: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Francisco, San Joaquin, San Mateo, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo and Yuba
Central California District	San Jose, California	Mid-state California counties: Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz, Stanislaus, Tulare, Tuolumne and Ventura
Los Angeles District	Los Angeles, California	County of Los Angeles, except for that portion served by the Southern California District
Southern California District	Laguna Niguel, California	Southern California counties: Imperial, Orange, Riverside, San Bernardino, San Diego, and that portion of Los Angeles County serviced by the Carson post of duty (the geographic area covered by 1995 U.S. Postal Service zip codes 90254, 90274, 90277, 90278, 90501, 90502, 90503, 90504, 90505, 90506, 90507, 90508, 90509, 90510, 90701, 90702, 90703, 90704, 90706, 90707, 90710, 90711, 90712, 90713, 90714, 90715, 90716, 90717, 90731, 90732, 90733, 90734, 90744, 90745, 90746, 90747, 90748, 90749, 90801, 90802, 90803, 90804, 90805, 90806, 90808, 90809, 90810, 90813, 90814, 90815, 90822, 90831, 90832, 90833, 90834, 90835, 90840, 90844, 90846, 90853)
Pacific Northwest District	Seattle, Washington	Alaska, Hawaii, Oregon and Washington

TREASURY ORDER 150-02**Date:** 03-09-01**Sunset Review:** 03-09-06**SUBJECT:** Organization and Functions of the Internal Revenue Service

1. By virtue of the authority vested in the Secretary of the Treasury by 31 U.S.C. §321(b) and Section 7801(a) of the Internal Revenue Code (IRC); and in accordance with the authority vested in the Commissioner of Internal Revenue by Sections 1001 of the "Internal Revenue Service Restructuring and Reform Act of 1998" (RRA-98), Pub. L. 105-206, 112 Stat. 685 and IRC Sections 7803 and 7804, it is ordered that the following offices are established.

2. This Order prescribes the structure of the Internal Revenue Service emerging from the reorganization required by Section 1001 of RRA-98. The Commissioner is authorized to implement the organization in accordance with RRA-98 at an appropriate time or times as determined by the Commissioner and to make such changes to personnel, positions, equipment, and funds as may be necessary to effectively manage the described organization.

3. Except for the offices and positions in paragraphs 4 through 17, the Commissioner may create, abolish, or modify as necessary other offices and positions within the Internal Revenue Service to effectively and efficiently administer the tax laws or other responsibilities assigned to the Internal Revenue Service. The authority of the Commissioner to create, abolish, or modify offices under this delegation is subject only to limitations that exist by law or Department of the Treasury rules, regulations, and directives, including Treasury Directive 21-01, "Organizational Changes"; "Statement of Treasury Department Policies and Procedures: Mission, Organization, Resources, Operation, Direction and Oversight of the Statistics of Income Division of the Internal Revenue Service", dated December 16, 1993; and "Memorandum of Understanding Regarding Procedures for the Statistics of Income Division of the Internal Revenue Service," dated September 17, 1997.

4. OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE. The Office of the Commissioner consists of the Commissioner; Deputy Commissioner; and Assistant Deputy Commissioner. The Commissioner is the chief executive officer for the IRS. The Commissioner is responsible for overall planning and for directing, controlling and evaluating IRS policies, programs, and performance.

5. DEPUTY COMMISSIONER. The Deputy Commissioner has line authority over all IRS officials reporting to or through the Deputy Commissioner. The Deputy Commissioner is responsible for assisting and acting for the Commissioner in planning, directing, coordinating and controlling the policies, programs and other activities of the IRS; in establishing tax administration policy; and in developing strategic objectives. The Assistant Deputy Commissioner is generally responsible for day-to-day operational matters and for oversight of the reorganization of the IRS.

6. CHIEF COUNSEL. The Chief Counsel is the chief law officer for the Internal Revenue Service and an Assistant General Counsel for the Treasury, with duties and responsibilities prescribed by the Secretary of the Treasury and by law. The Chief Counsel is responsible for advising the Commissioner on legal matters and ensuring that the Office of Chief Counsel provides top-quality legal support to all offices within the IRS. The relationship of the Secretary, Commissioner, General Counsel, Chief Counsel, and Chief Counsel staff is further defined in 31 U.S.C. § 301(f)(2); IRC § 7803(b); in Treasury Orders 107-04, "The General Counsel," dated July 25, 1989; 107-07, "Personnel Authority over Personnel Employed by the Office of Chief Counsel, Internal Revenue Service," dated May 4, 1999; 150-10, "Delegation--Responsibility for the Internal Revenue Laws," dated April 22, 1982; and by implementing Orders of the General Counsel.

7. CHIEF, COMMUNICATIONS AND LIAISON DIVISION. The Chief, Communications and Liaison Division, heads the Communications and Liaison Division and is the principal advisor to the Commissioner and Deputy Commissioner on legislative matters, internal and external communications, and relationships with customer groups.

The Chief, Communications and Liaison Division, serves as national spokesperson for the IRS; establishes strategies, practices, procedures, standards and controls for planning and managing communications to IRS employees and the public; coordinates congressional communications; and maintains communications and relationships with customer groups. The Chief, Communications and Liaison Division, represents and serves as liaison from the IRS, as designated by the Commissioner or Deputy Commissioner, to other executive branch agencies, the Congress, other tax authorities and the public on communications, and legislation to facilitate their understanding of IRS activities.

8. NATIONAL TAXPAYER ADVOCATE. The National Taxpayer Advocate heads the Office of the Taxpayer Advocate and advises the Commissioner and Deputy Commissioner regarding avoidance and resolution of problems taxpayers encounter in dealing with IRS. The National Taxpayer Advocate is responsible for implementing the functions of the Office of the Taxpayer Advocate specified in IRC § 7803(c). The National Taxpayer Advocate reports directly to the Commissioner; supervises local taxpayer advocates nationwide; serves as national spokesperson on taxpayer advocacy matters; establishes strategies, practices, procedures, standards and controls for activities to mitigate taxpayer problems; and prepares and submits to Congress annual Objectives and Activities reports. The National Taxpayer Advocate represents the IRS, as designated by the Commissioner or Deputy Commissioner, to other executive branch agencies, the Congress, other tax authorities, and the public on the above subjects and on major cross-functional issues related to taxpayer interests and concerns.

9. CHIEF INFORMATION OFFICER. The Chief Information Officer heads the Information Systems Division and is the principal advisor to the Commissioner and Deputy Commissioner on information technology, including strategic technology planning, data administration, technology standards, privacy assurance, and telecommunications. The Chief Information Officer is the principal IRS official with authority over and responsibility for information technology, including information systems resources, technology modernization activities, and tax systems reengineering efforts. The Chief Information Officer reports to the Office of the Commissioner of Internal Revenue.

10. CHIEF, APPEALS DIVISION. The Chief, Appeals Division, heads an independent function in conformance with Section 1001 of RRA-98, supervises the Appeals Division, advises the Commissioner on Servicewide policies and programs regarding the administrative resolution of tax disputes, and provides alternative techniques to resolve cases without litigation. The Chief, Appeals Division, directly manages Appeals' national and field programs and reports to the Office of the Commissioner of Internal Revenue.

11. NATIONAL HEADQUARTERS. The National Headquarters consists of the following organizations reporting to the Office of the Commissioner of Internal Revenue: Senior Counselor to the Commissioner; Equal Employment Opportunity and Diversity; Chief Financial Officer; Commissioner's Complaint Processing and Analysis Group; Research, Analysis, and Statistics of Income; Office of Tax Administration Coordination; and Strategic Human Resources.

a. The Senior Counselor reports to the Commissioner of Internal Revenue and has direct supervisory responsibility for the Office of the Director of Practice, including oversight and control of its policy decisions. A manager within the Office of the Senior Counselor has independent oversight and control over all individual Director of Practice cases.

b. The Chief, EEO and Diversity and Chief Financial Officer report to the Deputy Commissioner of Internal Revenue.

c. The Commissioner's Complaint Processing and Analysis Group; Research, Analysis and Statistics of Income; Office of Tax Administration Coordination; and Strategic Human Resources report to the Assistant Deputy Commissioner.

12. COMMISSIONER, WAGE AND INVESTMENT DIVISION. The Commissioner, Wage and Investment (W&I) Division, is responsible for supervising the activities of the Wage and Investment Division, which serves over 100 million individual taxpayers, including those who file jointly, with wage and investment income only. This official is responsible for the entire range of tax administration activities that pertain to this group of taxpayers, ranging from educating and assisting these taxpayers in all interactions with the IRS to developing and implementing compliance strategies best suited to W&I taxpayers. The Commissioner, Wage and Investment Division reports to the Office of the Commissioner of Internal Revenue.

13. COMMISSIONER, SMALL BUSINESS AND SELF-EMPLOYED DIVISION. The Commissioner, Small Business and Self-Employed (SB/SE) Division, is responsible for supervising the activities of the Small Business and Self-Employed Division, which serves taxpayers who own small businesses, are fully or partially self-employed, file estate and gift tax returns, file fiduciary returns, or report foreign source income or deductions. This official is responsible for the entire range of tax administration activities that pertain to this group of taxpayers, from developing targeted educational materials which assist taxpayers in fulfilling their tax obligations to developing and implementing compliance strategies best suited to SB/SE taxpayers. The Commissioner, Small Business and Self-Employed Division reports to the Office of the Commissioner of Internal Revenue.

14. COMMISSIONER, LARGE AND MID-SIZE BUSINESS DIVISION. The Commissioner, Large and Mid-Size Business (LMSB) Division, is responsible for supervising the activities of the Large and Mid-Size Business Division, which serves large and mid-size business taxpayers, including corporations with assets over \$5 million. This official is responsible for the entire range of tax administration activities that pertain to this group of taxpayers, from developing targeted educational materials which assist taxpayers in fulfilling their tax obligations to developing and implementing compliance strategies best suited to LMSB taxpayers. The Commissioner, Large and Mid-Size Division reports to the Office of the Commissioner of Internal Revenue.

15. COMMISSIONER, TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION. The Commissioner, Tax Exempt and Government Entities (TE/GE) Division, is responsible for supervising the activities of the Tax Exempt and Government Entities Division, which serves the tax exempt sector including pension plans, exempt organizations and governmental entities. This official is responsible for the entire range of tax administration activities that pertain to this group of taxpayers, from developing targeted educational materials which assist taxpayers in fulfilling their tax obligations to developing and implementing compliance strategies best suited to TE/GE taxpayers. The Commissioner, Tax Exempt and Government Entities reports to the Office of the Commissioner of Internal Revenue.

16. CHIEF, AGENCY-WIDE SHARED SERVICES DIVISION. The Chief, Agency-Wide Shared Services Division, is responsible for supervising the division that provides support, agencywide, for common administrative services such as personnel, facilities, and procurement. The Chief, Agency-Wide Shared Services Division reports to the Office of the Commissioner of Internal Revenue.

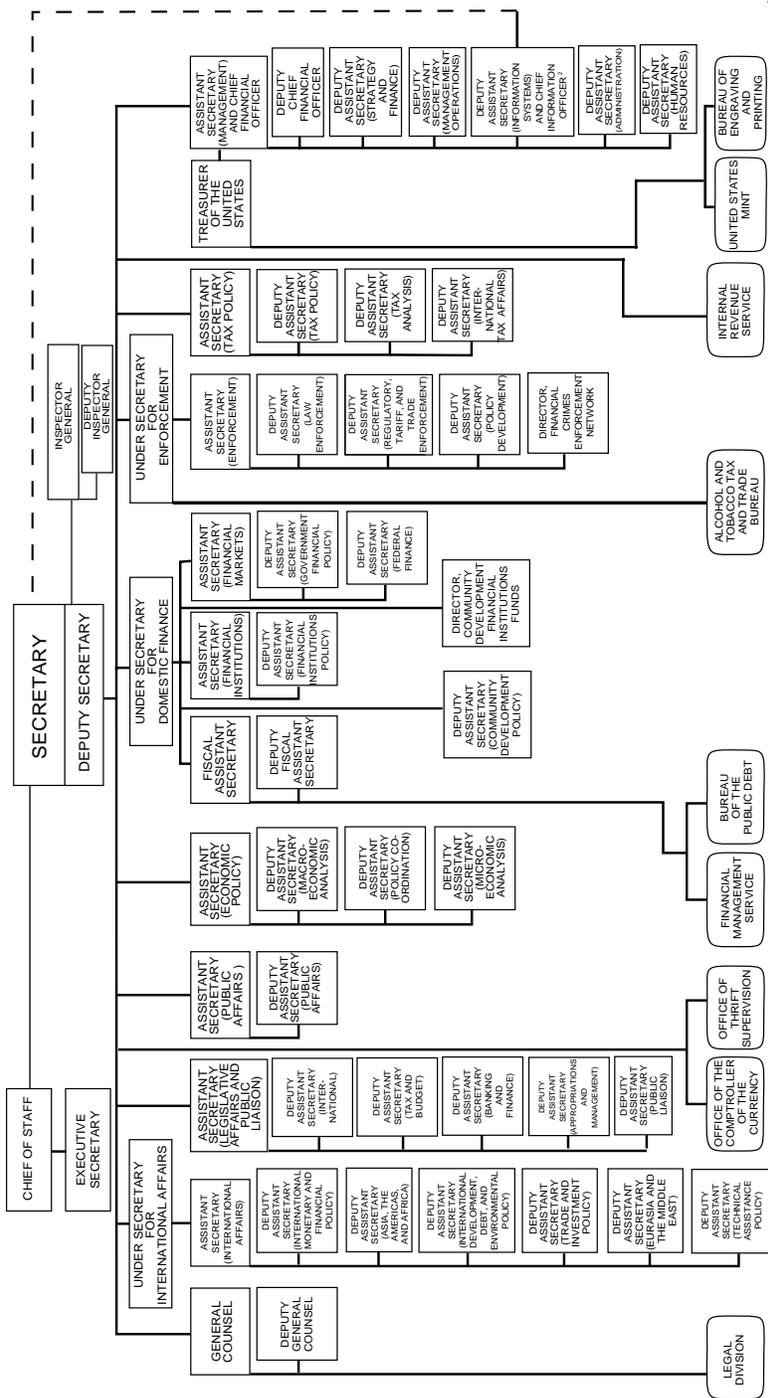
17. CHIEF, CRIMINAL INVESTIGATION DIVISION. The Chief, Criminal Investigation Division, is responsible for supervising the division that investigates potential criminal violations of the Internal Revenue Code and related financial crimes and enforces the criminal statutes relative to tax administration in a manner that fosters confidence in the tax system and compliance with the law. The Chief, Criminal Investigation Division reports to the Office of the Commissioner of Internal Revenue.

18. CANCELLATIONS. Treasury Order 150-01, "Regional and District Offices of the Internal Revenue Service," dated September 28, 1995, is canceled. Treasury Order 150-02, "Establishment of Certain Offices in the National Office of the Internal Revenue Service," dated January 11, 1994, is superseded.

/S/
Paul H. O'Neill
Secretary of the Treasury

Attachment: [Organizational Chart](#)

DEPARTMENT OF THE TREASURY



¹ Assistant Secretary (Management) and Chief Financial Officer is Treasury's Chief Operating Officer.
² Deputy Assistant Secretary (Information Systems) is the Chief Information Officer.

assists policymakers in the determination of economic policies. The Office:

- reviews and analyzes domestic and international economic issues and developments in the financial markets;
- assists in the development of official economic projections; and
- works closely with Federal Government agencies to develop economic forecasts underlying the yearly budget process.

Enforcement The Office of the Assistant Secretary for Enforcement coordinates Treasury law enforcement matters, including the formulation of policies for Treasury enforcement activities, and cooperates on law enforcement matters with other Federal agencies. It oversees the following branches of the Department:

- the Alcohol and Tobacco Tax and Trade Bureau, charged with collecting excise taxes on alcoholic beverages and tobacco products;
- the Office of Financial Enforcement, assisting in implementing the Bank Secrecy Act and administering related Treasury regulations; and
- the Office of Foreign Assets Control, controlling assets in the United States of “blocked” countries and the flow of funds and trade to them;

Financial Institutions The Office of the Assistant Secretary for Financial Institutions exercises policy direction and control over Department activities relating to the substance of proposed legislation pertaining to the general activities and regulation of private financial intermediaries and relating to other Federal regulatory agencies.

Fiscal Affairs The Office of the Fiscal Assistant Secretary supervises the administration of the Government’s fiscal affairs. It manages the cash position of the Treasury and projects and monitors “debt subject-to-limit;” directs the performance of the fiscal agency functions of the Federal Reserve Banks; conducts governmentwide accounting and cash management activities; exercises supervision over depositories of the United States; and provides management overview of investment practices for Government trust and other accounts.

International Affairs The Office of the Assistant Secretary for International Affairs advises and assists policymakers in the formulation and execution of policies dealing with international financial, economic, monetary, trade, investment, environmental, and energy policies and programs. The work of the Office is organized into groups responsible for monetary and financial policy; international development, debt, and environmental policy; trade and investment policy; economic and financial technical assistance; and geographical areas (Asia, the Americas, Africa, Eurasia, and Latin America). The staff offices performing these functions:

- conduct financial diplomacy with industrial and developing nations and regions;
- work toward improving the structure and operations of the international monetary system;
- monitor developments in foreign exchange and other markets and official operations affecting those markets;
- facilitate structural monetary cooperation through the International Monetary Fund and other channels;
- oversee U.S. participation in the multilateral development banks and coordinate U.S. policies and operations relating to bilateral and multilateral development lending programs and institutions;
- formulate policy concerning financing of trade;
- coordinate policies toward foreign investments in the United States and U.S. investments abroad; and
- analyze balance of payments and other basic financial and economic data, including energy data, affecting world payment patterns and the world economic outlook.

Tax Policy The Office of the Assistant Secretary for Tax Policy advises and assists the Secretary and the Deputy Secretary in the formulation and execution of domestic and international tax policies and programs. These functions include:

- analysis of proposed tax legislation and tax programs;
- projections of economic trends affecting tax bases;

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