

Coryell, Culberson, DeWitt, Dimmitt, 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 within the State of Texas, with the headquarters office located in Austin, Texas.

(2) *Dallas District*. Shall include the Counties of 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, Ochiltree, Oldham, Palo Pinto, Panola, Parker, Parmer, Potter, Rains, Randall, Reagan, Red River, Roberts, Rockwall, Runnels, Rusk, Sabine, San Augustine, Schleicher, Scurry, Shackelford, Shelby, Sherman, Smith, Stephens, Sterling, Stonewall, Sutton, Swisher, Tarrant, Taylor, Terry, Throckmorton, Titus, Tom Green, Upshur, Upton, Van Zandt, Ward, Wheeler, Wichita, Wilbarger, Winkler, Wise, Wood, Yoakum, and Young within the State of Texas, with the headquarters office located in Dallas, Texas.

(3) *Houston District*. Shall include the Counties of Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Newton, Orange, Polk, San Jacinto, Trinity, Tyler, and Walker within the State of Texas, with the headquarters office located in Houston, Texas.

3. The Foreign Operations District is abolished and the functions transferred primarily to the newly established

Assistant Commissioner (International). This change shall be implemented upon such date as the Commissioner of Internal Revenue may determine. Effective immediately, the Commissioner of Internal Revenue is authorized to effect, at appropriate times and in an orderly manner, such transfers of functions, personnel, positions, equipment and funds as may be necessary to implement the provisions of this order.

4. *Internal Revenue Districts*. Each district established pursuant to Section 7621 of the Internal Revenue Code of 1954, as amended, shall be known as an internal revenue district and shall be identified by the name of the city or subdivision thereof in which the headquarters office of the District Director of Internal Revenue is located.

5. *District Director of Internal Revenue*. The title of each District office shall bear the title "District Director of Internal Revenue" identified by the name of the city or subdivision thereof, in which the headquarters office is located.

6. *U.S. Territories and Insular Possessions*. The Commissioner shall, to the extent of authority otherwise vested in him, provide for the administration of the United States internal revenue laws in the U.S. territories and insular possessions and other authorized areas of the world.

7. *Effect on Prior Treasury Department Orders*. This order supersedes Treasury Department Orders: 150-105, January 24, 1985, and 150-106, February 8, 1985.

James A. Baker III,

Secretary of the Treasury.

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BILLING CODE 4810-25-M

[Number: 150-02]

### Establishment of Certain Offices in the National Office of the Internal Revenue Service

Dated: February 27, 1986.

By the authority vested in me as Secretary of the Treasury by section 1002 of 31 U.S.C.; section 7801(a) and 7803 of the Internal Revenue Code of 1954, as amended; section 321(b) of 31 U.S.C., and Reorganization Plan No. 1 of 1952 as made applicable to the Internal Revenue Code of 1954 by section 7804(a) of such Code and by Executive Order No. 10574, approved November 5, 1954; and as provided by section 7802(b) of the Internal Revenue Code of 1954, the following offices continue uninterrupted as they existed prior to this order, with the changes noted below:

### 1. Establishment and Continuation.

#### a. Office of the Associate Commissioner (Operations)

The Associate Commissioner (Operations) is the principal advisor to the Commissioner on policy matters affecting operations.

(1) The Associate Commissioner (Operations) is responsible for the following activities:

(a) Serves as the spokesperson for the operating functions, which are: Collection of delinquent accounts and securing of delinquent returns; investigation of criminal fraud involving any internal revenue laws (except those concerning alcohol, tobacco, or firearms); examination of tax returns; approval and subsequent examination of Employee Plans and Exempt Organizations. With this order, also provides guidance on tax treaty administration, international compliance, and foreign tax administration assistance.

(b) Provides policy guidance and direction to the Assistant Commissioner (Collection), Assistant Commissioner (Examination), Assistant Commissioner (Criminal Investigation), Assistant Commissioner (Employee Plans and Exempt Organizations) and, with this order, the Assistant Commissioner (International).

(c) Represents the Service, as designated by the Commissioner, to the Department of the Treasury, Office of Management and Budget, Congress, foreign tax authorities and the public on major cross-functional issues and discusses or explains the Service's policy formulation and long-term plans.

(2) Under the supervision of the Associate Commissioner (Operations) are the following organizations:

- (a) Office of the Assistant Commissioner (Collection)
- (b) Office of the Assistant Commissioner (Examination)
- (c) Office of the Assistant Commissioner (Criminal Investigation)
- (d) Office of the Assistant Commissioner (Employee Plans and Exempt Organizations)
- (e) Office of the Assistant Commissioner (International), established with this Order.

#### b. Office of Associate Commissioner (Policy and Management)

The Associate Commissioner (Policy and Management) is the principal advisor to the Commissioner on policy matters affecting agency administration.

(1) The Associate Commissioner (Policy and Management) is responsible for the following activities:

(a) Serves as the spokesperson for the management functions, which are: Personnel administration; financial management; planning; research; training and employee development; management information systems; management of the Service's physical plant, equipment, property, and support services; disclosure and security; tax forms and publication design, printing, and distribution; and operation of the IRS Data Center (payroll and non-tax data processing).

(b) Provides policy guidance and direction to the Assistant Commissioner (Support and Services), the Assistant Commissioner (Human Resources), and the Assistant Commissioner (Planning, Finance, and Research).

(c) Represents the Service, as designated by the Commissioner, to the Department of the Treasury, Office of Management and Budget, Congress, and the public on major policy and management issues, and discusses or explains the Service's policy formulation and long-term plans.

(2) Under the supervision of the Associate Commissioner (Policy and Management) are the following organizations:

(a) Office of the Assistant Commissioner (Support and Services)

(b) Office of the Assistant Commissioner (Human Resources)

(c) Office of the Assistant Commissioner (Planning, Finance, and Research)

*c. Office of Associate Commissioner (Data Processing)*

The Associate Commissioner (Data Processing) is the principal advisor to the Commissioner on policy matters affecting data processing.

(1) The Associate Commissioner (Data Processing) is responsible for the following activities:

(a) Serves as the spokesperson for the data processing functions, which are: processing of tax returns and information documents; accounting for all revenues collected by the Service; maintaining master files of all taxpayer accounts; managing all large-scale tax-processing computers in the Service; the tax information program; and, designing, developing, testing, and maintaining computer software used on large-scale tax-processing computers in the Service.

(b) Provides policy guidance and direction to the Assistant Commissioner (Computer Services), the Assistant Commissioner (Returns and Information Processing), and the Assistant Commissioner (Tax System Redesign).

(c) Represents the Service, as designated by the Commissioner, to the Department of the Treasury, Office of

Management and Budget, Congress, and the public on major data processing issues, and discusses or explains the Service's policy formulation and long-term plans.

(2) Under the supervision of the Associate Commissioner (Data Processing) are the following organizations:

(a) Office of the Assistant Commissioner (Computer Services)

(b) Office of the Assistant Commissioner (Returns and Information Processing)

(c) Office of the Assistant Commissioner (Tax System Redesign)

*d. Office of Assistant to the Commissioner (Legislative Liaison)*

The assistant to the Commissioner (Legislative Liaison) is the principal advisor to the Commissioner, Deputy Commissioner, and top executives of the Service on all Congressional and legislative matters except those involving appropriation hearings, and is responsible for planning, developing, directing, and evaluating the Congressional Affairs program and activities of the Service.

*e. The Assistant Commissioner (Inspection) and the Deputy Assistant Commissioner (Inspection)*

The Assistant Commissioner (Inspection) and the Deputy Assistant Commissioner (Inspection) will, to ensure objectivity and integrity, continue to report directly to the Commissioner and Deputy Commissioner.

2. The Appeals Division is transferred to the Chief Counsel, and the Commissioner of Internal Revenue will exercise line supervision over the Chief Counsel for this function. The transfer of such personnel, records, equipment and funds will be determined by the Commissioner of Internal Revenue and Chief Counsel, as appropriate.

3. The Corporation Tax and Individual Tax Divisions are transferred to the Chief Counsel, with the authority to supervise and evaluate the work of all officers and employees of the functions transferred. The transfer of such personnel, records, equipment and funds will be determined by the Commissioner of Internal Revenue and Chief Counsel, as appropriate.

4. The Chief Counsel, pursuant to delegated authority from the General Counsel, is authorized to take necessary action on all personnel and administrative matters pertaining to the Office of Chief Counsel, including but not limited to those for the appointment, classification, promotion, demotion, reassignment, transfer or separation of

officers or employees; however, all personnel and administrative matters concerning Senior Executive Service or Performance Management Recognition System employees in the Office of Associate Chief Counsel (International) whose primary duties do not involve litigation or in the Office of Associate Chief Counsel (Technical), shall be approved by the Commissioner of Internal Revenue prior to implementation.

5. The Commissioner will exercise the Service's final authority concerning substantive interpretation of the tax laws as reflected in legislative and regulatory proposals, revenue rulings, letter rulings, and technical advice memoranda.

6. The Office of the Commissioner shall consist of the Commissioner, Deputy Commissioner, Assistants to the Commissioner, Assistant to the Commissioner (Public Affairs), Assistant to the Commissioner (Legislative Liaison), Assistant to the Commissioner (Taxpayer Ombudsman), the Assistant to the Commissioner (Equal Opportunity), and the Assistant to the Deputy Commissioner.

7. Except for the specific positions and titles in Sections 1 and 6 of this order, the Commissioner, Internal Revenue Service, may create, abolish, or modify offices and positions within the Internal Revenue Service as may be necessary to effectively and efficiently provide for the administration of tax laws or other responsibilities assigned to the Internal Revenue Service. The authority of the Commissioner, Internal Revenue Service, to create, abolish, or modify offices under this delegation is subject only to limitations that exist by law or Department of the Treasury rules and regulations.

8. The above changes shall be implemented upon such date as the Commissioner of Internal Revenue may determine. Effective immediately, the Commissioner of Internal Revenue is authorized to effect, at appropriate times and in an orderly manner, such transfers of functions, personnel, positions, equipment and funds as may be necessary to implement the provisions of this order.

9. All offices in existence within the Internal Revenue Service but not mentioned in this order are continued without interruption.

10. *Effect on Other Treasury Department Orders.* This order

supersedes Treasury Department Order: 150-103, October 3, 1985.

James A. Baker;

Secretary of the Treasury.

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BILLING CODE 4810-25-M

## VETERANS ADMINISTRATION

### Implementation of the Balanced Budget and Emergency Deficit Control Act of 1985

AGENCY: Veterans Administration.

ACTION: Notice of benefit reductions.

**SUMMARY:** The Veterans Administration (VA) is giving notice of reductions in payments which will be made for certain benefits and is giving notice of other actions the agency will take in order to comply with the Balanced Budget and Emergency Deficit Control Act of 1985. The nonrecurring benefits affected are grants for specially adapted housing and special housing adaptations for certain severely disabled veterans, the service-connected and nonservice-connected burial allowances, the plot allowance, the headstone or marker allowance, and the automobile allowance. The affected recurring benefits include the subsistence allowance payable to disabled veterans undergoing training in the vocational rehabilitation program, educational assistance allowance payable to eligible persons in the Dependents' Educational Assistance program, training allowance payable to eligible children in that program who are undergoing special restorative training, educational assistance allowance payable to veterans training under the Vietnam Era GI Bill, and tutorial assistance payable to these veterans.

**EFFECTIVE DATE:** March 1, 1986.

**FOR FURTHER INFORMATION CONTACT:**

Individuals who wish additional information about adjustments in education benefits should contact June C. Schaeffer (225), Assistant Director for Policy and Program Administration, Education Service, Department of Veterans Benefits, Veterans Administration, 810 Vermont Avenue, NW, Washington, DC 20420 (202) 389-2092.

Individuals who wish further information about adjustments in the vocational rehabilitation program should contact Dr. Karen Boies, (202) 389-2886.

Individuals who wish additional information about adjustments in specially adapted housing grants should contact Walter N. Burke, Assistant Director for Construction and

Valuation, Loan Guaranty Service, Department of Veterans Benefits, (202) 389-2891.

Individuals who wish further information about adjustments in the other programs mentioned in this notice should contact Robert M. White, Chief, Regulations Staff, Compensation and Pension Service (211B), Department of Veterans Benefits, (202) 389-3005.

**SUPPLEMENTARY INFORMATION:** When certain targeted Federal budget deficits are not met for a fiscal year, section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 requires the President to issue an order sequestering a portion of the monies appropriated for payment of various benefits to eligible persons. This order has been issued on February 1, 1986. It is effective March 1, 1986.

As a result of the order the VA must reduce payments of certain benefits. The agency could either have paid benefits at the statutory rate until the monies available to pay those benefits were exhausted, or the agency could have made a percentage reduction in all payments of those benefits which were obligated after the effective date of the order. The VA has chosen the latter alternative. The VA thinks it is more equitable to provide each eligible person with a reduced payment than it would be to pay some eligible persons at the statutory rate while paying nothing to people who become eligible later in the fiscal year.

A 4.3% reduction in payments during this fiscal year is necessary to meet the Federal budget deficit target imposed as a result of the Balanced Budget and Emergency Deficit Control Act. However, the reader will notice that none of the reductions contained in this notice is 4.3%. The VA is unable by law to reduce the obligations which had already been made before the effective date of the order. Consequently, the entire reduction has to be made to unobligated funds. The amount of unobligated funds available on March 1, 1986, varies from program to program. Hence, the amount that the payments to individuals have to be reduced in order to achieve an overall 4.3% reduction for the fiscal year varies from program to program.

The Balanced Budget and Emergency Deficit Control Act also contains Federal budget deficit targets for the fiscal years 1987 through 1991. As a result of the provisions of this Act, it may become necessary to make percentage reductions during those fiscal years to the programs mentioned in this notice. Any reductions which may be made will be the subject of a separate notice.

Effective March 1, 1986, through September 30, 1986, as a result of the order issued on February 1, 1986, each payment the VA will make during this period for each of the benefits specified below will be made at 92.25% of the amount otherwise payable (or in the case of the automobile or other conveyance allowance 92% of the amount otherwise payable), but will not exceed the maximum payment shown below. The new maximum payment for automobile or other conveyance allowance represents an 8% reduction from the rate found in title 38, U.S. Code. Similar items furnished under authority of 38 U.S.C. 612 and 617 will be reduced by a like amount.

The new maximum payments for the burial benefits represent a 7.75% reduction from the rates found in title 38, U.S. Code. The new maximum payments for the headstone or marker allowance represents a 7.75% reduction from the rate specified in 38 CFR 3.1612.

Benefit	Maximum payment
Non-service-connected burial allowance (38 U.S.C. 902(a) and 903(a))	\$275
Plot allowance (38 U.S.C. 903(b))	138
Service-connected burial allowance (38 U.S.C. 907)	1,914
Headstone or marker allowance (38 U.S.C. 906)	65
Automobile or other conveyance allowance (38 U.S.C. 1902)	4,609

Furthermore, for payments authorized during the period beginning on March 1, 1986, and ending on September 30, 1986, the VA will pay 92% of the cost of providing, repairing, replacing, or reinstalling adaptive equipment for automobiles or other conveyances (38 U.S.C. 1902 (b) and (c)).

For applications approved during the period beginning on March 1, 1986, and ending on September 30, 1986, the VA will reduce by 8% the amount of the grant otherwise computed for specially adapted housing or special housing adaptations for severely disabled veterans (38 U.S.C. 801 (a) and (b)).

The monthly subsistence allowance payable to veterans training in the vocational rehabilitation program (38 U.S.C. ch. 31) are reduced by 13.1% for payments obligated during the period beginning on March 1, 1986, and ending on September 30, 1986.

This reduction will affect both retroactive payment authorizations and recurring payment obligations. If a veteran's enrollment period overlaps March 1, 1986, and the VA approves an award of benefits during the period beginning on March 1, 1986, and ending on September 30, 1986, the veteran would receive reduced payments for all