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B-226520 April 3, 1987

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Mr. Paul Nejelski Court Administrator United States Tax Court Room 150 400 Second Street N.W. Washington, D.C. 20217

Dear Mr. Nejelski:

This letter is in response to a recent inquiry from Chief Judge Samuel B. Sterrett of the United States Tax Court, requesting an opinion concerning the administration of a fund authorized by 26 U.S.C. Sec. 7475 as added by section 1553 of the Tax Reform Act of 1986, Pub. L. No. 99-514 (October 22, 1986), 100 Stat. 2154. The new law makes the periodic registration fees imposed upon practitioners admitted to practice before the U.S. Tax Court available to pay independent counsel engaged by the Court to pursue disciplinary matters. Chief Judge Sterrett's letter indicates that while section 7475 authorizes the collection of the fee, neither it nor the Conference Report provides any guidelines for administering the fund. Consequentl, he raised a number of questions relating to account administration and requested an early response because he is anxious to employ independent counsel under section 7475 in several pending matters.

In view of the urgency surrounding this matter, Mr. Richard Cambosos of my staff contacted the Office of the Chief Judge and was referred to Mr. Charles Casazza, Chief Clerk of the U.S. Tax Court, and Ms. Jennifer Rudy, Staff Attorney, to discuss this matter. Mr. Cambosos indicated that the establishment of new accounts, the type of account, and the procedural requirements governing deposits to and expenditures from those accounts, are matters in the first instance for consideration by the Department of the Treasury. According to Treasury officials, in order to have a new account established, a request must be submitted by the head of the agency, citing the specific provision of law, to:

The Director, Finance and Funding Branch Financial Management Service Department of the Treasury GAO Building Room 3055 441 G Street, N.W. Washington, D.C. 20226

Additional information on account classification is set forth in Volume I of the Treasury Financial Manual, Part 2, Chapter 1500. See also 59 Comp. Gen. 215 (1980). Since it appears that this fund would be governed by the applicable regulations, Ms. Rudy and Mr. Casazza informally agreed that the first step should be for the Tax Court to submit a request to Treasury to establish an account. Should there be any questions concerning Treasury's reply, we will be happy to provide whatever assistance we can at that time. My response is being addressed to you rather than the Chief Judge upon Ms. Rudy's advice.

Sincerely yours,

Robert H. Hunter Assistant General Counsel