

**SUPPORTING STATEMENT**  
**Revenue Procedure 2004-44**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

**Section 601.201(a)(1) of the Statement of Procedural Rules (26 C.F.R. §601.201(a)(1)) provides that it is the practice of the Internal Revenue Service (“Service”) to answer inquiries of individuals and organizations, whenever appropriate in the interest of sound tax administration as to the tax effects of their transactions.**

**Section 6.02 of Rev. Proc. 2004-4 2004-1 I.R.B. 125, 132, is the basic revenue procedure that describes the areas in which the Employee Plans function will issue letter rulings.**

**In this revenue procedure, the Employee Plans function is expanding on the basic letter ruling revenue procedure by establishing a new procedural method for an extension of the amortization period described in section 412(e) of the Internal Revenue Code. These methods were last set forth in Rev. Proc. 79-61, 1979-2 C.B. 575. Rev. Proc. 2004-4 (along with three other general revenue procedures) has previously obtained a control number from the Office of Management and Budget (1545-1520) which has been renewed several times. However, the specialized revenue procedure which is being updated and republished was last published before the enactment of the Paperwork Reduction Act of 1995.**

**The authority to consider letter rulings described in this revenue procedure was transferred to the sole jurisdiction of the Secretary of the Treasury (and his delegate) pursuant to section 101 of Reorganization Plan No. 4 of 1978, 1979-1 C.B. 480.**

**2. USE OF DATA**

**The data will be used by the Service to evaluate an employer’s (or the Board of Trustees’, in the instance of a multiemployer plan) eligibility to obtain an extension of the amortization period from the minimum funding standards described in section 412 of the Code and will assist employers (or the Boards of Trustees in the instance of multiemployer plans) in the notification process. This data may be shared with the Employee Benefits Security Administration of the U.S. Department of Labor in the enforcement of the provisions of the Employee Retirement Income Security Act of 1974.**

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

**IRS Publications, regulations, published guidance, e.g., revenue rulings and revenue procedures, notices, letters, and letter rulings are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of**

1998.

**4. EFFORTS TO IDENTIFY DUPLICATION**

We have attempted to eliminate duplication within the agency wherever possible.

**5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES**

Generally, requests for extensions of the amortization period are made by large plans with large numbers of participants. However, if a small, single-employer plan, i.e., an employer with assets below a \$200,000 were to request an extension of the amortization period, that employer would be eligible for a lower user fee. The revenue procedure contains a model notice to assist small businesses in their requirements to notify employees, participants, beneficiaries, and alternate payees of the request for an extension of the amortization period and to assist small businesses in meeting the notification requirements of the U.S. Department of Labor as well as the Service. In addition, the revenue procedure contains a checklist to assist applicants in ascertaining whether they have completed the information sought by the Service. It is anticipated that small businesses will be the primary beneficiaries of the model notice and the reduced user fees.

**6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

Not applicable.

**7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

Various sections of the revenue procedure for letter rulings require information to be submitted before 30 days. These provisions are located throughout portions of 26 CFR 601.201.

**8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

Revenue Procedure 2004-44 was published in the Internal Revenue Bulletin on August 2, 2004 (2004-31 IRB 134).

We received no comments during the comment period in response to the Federal Register notice (72 FR 30920), dated June 4, 2007.

**9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

Not applicable.

#### **10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Submissions under this revenue procedure are considered tax returns and tax return information, which are confidential as required by 26 U.S.C. § 6103. In general, certain matters relating to taxability and deductibility are disclosable under 26 U.S.C. § 6110.

#### **11. JUSTIFICATION OF SENSITIVE QUESTIONS**

Not applicable.

#### **12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Section 3 of the revenue procedure requires that an applicant state that a notice of the request for an extension of the amortization period with respect to the minimum funding standards, e.g., the model notice published with the revenue procedure, has been given to each employee organization, participant, beneficiary, and alternate payee. Section 3 also requires the submission of general facts regarding the employer, the nature and extent of the business hardship, and various data about the plan subject to section 412 of the Code, as well as additional information if there is more than one plan (and other information, e.g., matters pending with other government agencies with regulatory jurisdiction over pension plans).

The estimated annual burden per respondent/recordkeeper varies from 70 to 120 hours with an estimated average burden of 95 hours on 25 respondents/recordkeeper for a total 2,375 hours.

Appendix B is a checklist that must be completed by applicants to assist them in ascertaining that the information being submitted is complete.

The estimated annual burden per respondent varies from 1 to 9 hours with an estimated average burden of 5 hours on 25 respondents for a total of 125 hours.

The total estimated average annual burden varies from 71 hours to 129 hours with  
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total estimated burden of 100 hours on 25 respondents/recordkeepers for a total of 2,500 hours annually

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

#### **13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

As suggested by OMB, our Federal Register notice dated June 4, 2007, requested

public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

Not applicable.

**15. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the revenue procedure sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I**

Not applicable.

**Note:** The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.