

Supporting Statement
(Form 3115)

9524. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 446(e) of the Internal Revenue Code provides that a taxpaying entity that changes its method of accounting for computing taxable income must first secure the consent of the Secretary. Form 3115 is used by the taxpayer for obtaining this consent.

9525. USE OF DATA

Form 3115 is used by the IRS to determine whether the requested change in accounting method will more accurately reflect the taxpayer's taxable income.

9526. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Low volume of Form 3115 filers does not justify the cost of electronic enabling.

9527. 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

Not applicable.

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)

Not applicable.

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

Periodic meetings are held between IRS personnel and representatives of the American Bar association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 3115.

In response to the **Federal Register Notice** dated April 7, 2008 (73 FR 18853), we received no comments regarding Form 3115.

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form	Number of Responses	Time per Response	Total Hours
3115			16,743
			82.21
3115 Sch. A			676,491
			5,336
			8.40
			44,823

3115 Sch. B	1,334
	2.47
3115 Sch. C	3,295 1,000
	7.87
3115 Sch. D	7,870 2,000
	32.01
3115 Sch. E	64,020 16,675
	7.95
	<u>132,567</u> 929,066

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice dated April 7, 2008 (73 FR 18853), 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

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$17,649.

15. REASONS FOR CHANGE IN BURDEN

There are no changes being made to the Form 3115 at this time.

Originally the total burden was cut by 1/3 to more accurately reflect the burden for business filers only. However, there was no accounting for the drop in filers. The current calculation more accurately reflects business burden by recalculating the number of business filers only.

We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

18. EXCEPTION 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.

