

## SUPPORTING STATEMENT

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION  
AND
2. USE OF DATA

This package explains and justifies the following related regulations set forth in the Statement of Procedural Rules concerning the issuance of rulings and determination letters. The IRS National Office issues ruling letters to taxpayers interpreting and applying tax law to a specific set of facts. Area Directors issue determination letters to taxpayers applying precedents previously announced by the National Office.

- A. 26 CFR 601.201(e)(1), (2), (3), and (4)  
26 CFR 601.201(n)(1)(i) and (ii) and 601.201(n)(2)(ii)  
26 CFR 601.201(o)(3)(ii), and (xiv) through (xx)  
26 CFR 601.201(u)

(1) These regulations set forth the instructions to taxpayers for requesting a ruling or determination letter, such as the statement of facts, the perjury statement, the reason for the transaction, whether the identical issue is pending before any IRS field office, and types of enclosures and signature requirements.

(2) This information is used by IRS to insure that the ruling and determination letter program will be responsive to the facts and questions in issue.

- B. 26 CFR 601.201(e)(5), (11), (16), and (17)

(1) This regulation indicates that taxpayers must submit a statement to the IRS indicating deletions to be made under section 6110 of the Code (regarding the privacy of certain taxpayer information) from the ruling or determination letter that will be made available for public inspection. IRS needs this information in order to prepare a copy of the ruling or determination letter for public inspection.

(2) IRS uses the information to insure that the copy of the ruling or determination letter made available for public inspection will comply with the requirements of section 6110 of the Code.

- C. 26 CFR 601.201(e)(19)  
26 CFR 601.201(i)(1)  
26 CFR 601.201(n)(5)(i)  
26 CFR 601.201(n)(6)(ii)(b) and (e)  
26 CFR 601.201(o)(6)(i) and (ii)

(1) These regulations indicate that the taxpayer may file a written appeal to the IRS regarding an adverse IRS ruling or determination letter by presenting any materials or arguments as to the issue in question and reasons for the appeal. IRS needs this information to determine if the ruling or determination letter should be revoked or modified.

(2) This information is used by the IRS to insure that its review of an adverse ruling or determination letter will consider all necessary information.

D. 26 CFR 601.201(j)

(1) This regulation allows a taxpayer to withdraw a ruling or determination letter request prior to the signing of the letter of reply. The withdrawal can be requested in writing or requested orally. Even though a request is withdrawn, all correspondence and exhibits are retained by IRS and are not returned to the taxpayer.

(2) This information is used by IRS, if received prior to the signing of a letter of reply, to insure that a formal reply will not be issued to the taxpayer.

E. 26 CFR 601.201(n)(8)(iii) through (vii)

(1) This regulation sets forth the instructions for a central exempt organization to receive a group exemption letter for its subordinates, to furnish information annually to maintain a group exemption letter, to the termination of a group exemption letter, and to revoke a group exemption letter. IRS needs this information in order to issue a responsive group exemption letter.

(2) This information is used by IRS to insure that the group exemption letter program will be responsive to the facts and questions in issue.

F. 26 CFR 601.201(o)(5)(i)

(1) This regulation sets forth instructions and administrative rights of interested taxpayers in a pension plan to comment concerning a proposed determination letter for a proposed qualified plan. IRS needs this information in order to issue a responsive determination letter.

(2) This information is used by IRS to insure that the determination program will be responsive to the facts and questions in issue.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission, except 26 CFR.201(o)(3)(ii), and (XIV) through (XX) is approximately 50% electronic filing.

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

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

These regulations are published in 26 CFR 601.201.

We received no comments during the comment period in response to the Federal Register notice dated May 7, 2008 (73 FR 25828).

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and return information are confidential as required by 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

We estimate the reporting burden for these existing regulations to be as follows:

<u>Regulations (by group)</u>	<u>Number of Responses</u>	<u>Number of Re- porting Hours</u>	<u>Average Hours per Response</u>
A	30,472	30,472	1.0
B	30,472	7,618	.25
C	*	*	*
D	752	188	.25
E	58,301	58,301	1.0
F	<u>151,917</u>	<u>151,917</u>	1.0
Total	271,914	248,496	

Data is not available for Regulation Group C, since 26 CFR 601.201(e)(19) and 26 CFR 601.201(i)(1) are not in effect any longer because of certain changes in the law regarding rulings in the Section 367 area.

These estimates were prepared after consultations with persons knowledgeable in these areas of IRS procedures.

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 May 7, 2008 (73 FR 25828), 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

We are making this submission to extend the OMB expiration date. There is no change in the burden previously approved by OMB.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS IN APPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation 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.