

## **SUPPORTING STATEMENT**

### **(Rev. Proc. 97-15)**

#### **31760. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 103 provides generally that interest on state or local bonds is excluded from gross income if the applicable requirements of §§ 141 through 150 of the Internal Revenue Code of 1986 are satisfied. These requirements include requirements relating to use of bond proceeds that must be met after the issue date. Sections 1.141-12, 1.142-2, 1.144-2, 1.145-2, and 1.147-2 of the Income Tax Regulations provide that, in the event that an action taken subsequent to the issue date causes an issue of state or local government bonds to fail to meet certain requirements relating to use of proceeds, an issuer may generally take certain remedial actions to prevent interest on the bonds from becoming includible in gross income.

Section 57(a)(5) of the 1986 Code provides that the interest on certain qualified private activity bonds is treated as an item of tax preference for purposes of the alternative minimum tax. The remedial action permitted in §1.141-12(f) applies to bonds that were not treated as private activity bonds on their issue date. Under this provision, if a subsequent action causes bonds of an issue to meet the private activity bond tests of §141 of the 1986 Code, the bonds may be treated as reissued qualified private activity bonds on the date of the action for certain purposes, including §§55 through 57 of the 1986 Code.

Corresponding provisions of the Internal Revenue Code of 1954 set forth requirements for the exclusion from gross income of the interest on an issue of state or local bonds. For purposes of the revenue procedure, any reference to a provision of the 1986 Code includes a reference to the corresponding provision, if any, under the 1954 Code.

This information is required by the Internal Revenue Service to verify compliance with §§57,103,141,142,144,145, and 147 of the Internal Revenue Code of 1986, as applicable (including any corresponding provision, if any, under the 1954 Code). This information will be used by the Service to enter into a closing agreement with the issuer and to establish the closing agreement amount.

#### **31761. USE OF DATA**

This information is required by the Service to monitor compliance with the federal tax rules for tax-exempt bonds, including the requirements relating to use of bond proceeds that must be met after the issue date.

#### **31762. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

IRS Publications, Regulations, Notices and Letters 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 whenever 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**

Revenue Procedure 97-15 was published in the **Internal Revenue Bulletin** on February 3, 1997 (Revenue Procedure 97-15, 1997-5 I.R.B. 21).

In response to the **Federal Register Notice** dated **December 22, 2008 (73 FR 78425)**, we received no comments during the comment period regarding Rev. Proc. 97-15.

**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 USC 6103.

**11. JUSTIFICATION OF SENSITIVE QUESTIONS**

Not applicable.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

The collections of information in this revenue procedure are in section 5 of this revenue

procedure. Section 5 of this revenue procedure concerns the procedures an issuer must follow to request a closing agreement with the Service.

The estimated total annual reporting and/or recordkeeping burden is 75 hours.

The estimated annual burden per respondent/recordkeeper varies from 1 hour to 3 hours, depending on individual circumstances, with an estimated average of 1.5 hours. The estimated number of respondents and/or recordkeepers is 50.

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 **December 22, 2008 (73 FR 78425)**, 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 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 these 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. 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 IN APPROPRIATE**

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.