

SUPPORTING STATEMENT
(Revenue Procedure 2009-25)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This revenue procedure permits taxpayers to submit ruling requests involving one or more issues regarding the tax consequences or characterization of a transaction (or part of a transaction) that occurs in the context of a distribution under § 355 of the Internal Revenue Code without the taxpayer's having to request a ruling on the entire transaction, as currently required.

This form is being submitted because information submitted under control number 1545-1522 is amended as described above. The subject revenue procedure, Revenue Procedure 2009-25, and the collection of information therewith amends the collection of information that presently exists in revenue procedures that have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. § 3507) under control number 1545-1522, to provide that taxpayers requesting letter rulings may apply by submitting representations and summary information, in lieu of the burden under Rev Proc. 2009-1, 2009-1 I.R.B. 1, dated January 5, 2009 (see appendix E, especially Rev. Proc. 96-30, 1996-1 C.B. 696), and Rev. Proc. 2009-3, 2009-1 I.R.B. 107, dated January 5, 2009, which requires the submission of detailed information concerning the entire transaction and complete analysis of the tax consequences. The new revenue procedure reduces the existing burden, and permits the submission of a summary of information instead. This is true notwithstanding that in order to submit a summary information, certain representations and ancillary information is required and that there may be taxpayers who may request a letter ruling under this revenue procedure that would not have requested a ruling under existing procedures.

2. USE OF DATA

This data will be used in the same manner that the existing data collection is used. It will be used by the Service in determining whether certain letter rulings should be issued.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because electronic filing is not appropriate for the collection of information in this submission.

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**

This Office has discussed the potential of this revenue procedure at various bar panels and it is not believed that there will be any substantial increased burden. This is a pilot program and the revenue procedure requests comments. The program will be favorably received by the public because under the new pilot program taxpayers may submit ruling requests involving one or more issues regarding the tax consequences or characterization of a transaction (or part of a transaction) that occurs in the context of a distribution under § 355 of the Internal Revenue Code without the taxpayer's having to request a ruling on the entire transaction, as currently required.

A revenue procedure (RP 2009-25) that describes a new pilot program for single issue letter rulings in the context of

section 355 distributions was published in the Internal Revenue Bulletin on June 15, 2009 (2009-24 IRB-1088).

In response to the **Federal Register Notice** dated **June 8, 2009 (74 FR 27237)**, we received no comments during the comment period regarding RP 2009-25.

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

The estimated total annual reporting burden is 513,150 hours.

The estimated annual burden per respondent varies from 1 to 200 hours, depending on individual circumstances, with an estimated average of 90.1054 hours. The estimated number of respondents is 5,695.

The estimated annual frequency of responses is on occasion.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time. Whatever the burden is under this procedure, it will be substantially less than the burden under existing procedures.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register Notice** dated **June 8, 2009 (74 FR 27237)**, 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 submission is being made 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

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.