

SUPPORTING STATEMENT  
Revenue Procedures 2003-4, 2003-5, 2003-6, and 2003-8

4980. 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 their status for tax purposes and as to the tax effects of their acts or transactions. Under these revenue procedures, taxpayers can request letter rulings, determination letters and technical advice from the Service on how the tax laws apply to them. The Service requires information from taxpayers in order to process these requests and to determine the amount of any user fees.

4981. USE OF DATA

The data will be used by the Service to evaluate a taxpayer's request for a private letter ruling, a technical advice memorandum, or a determination letter (including the requested deletions and retroactive effect, if any). In addition, the data collected under the user fee revenue procedure will be used to determine the correct amount of a particular user fee.

3. 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 wherever possible.

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

In the employee plans area, administrative programs have been established whereby certain businesses can initially obtain the approval as to the form of a plan, e.g., a master or prototype plan. Those businesses will then market the form plan to other businesses.

If utilized, these programs tend to lessen the administrative costs associated with such plans to small businesses. With respect to user fees imposed where a private letter ruling is requested, if the assets of a plan are below a certain dollar amount, there is a reduced user fee. With respect to exempt organization matters, there are reduced user fees when the combined gross income of the applicant and the applicant's spouse in an exempt organizations ruling request is below a certain dollar amount.

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 procedures for private letter rulings, technical advice, and determination letters require information to be submitted before 30 days. These provisions are located throughout portions of 26 C.F.R. 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 2003-4, Revenue Procedure 2003-5, Revenue Procedure 2003-6, and Revenue Procedure 2003-8 were published in the **Internal Revenue Bulletin** on January 6, 2003.

We received no comments during the comment period in response to the **Federal Register** notice dated June 2, 2009 (74 FR 26480).

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Submissions under these revenue procedures 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

Rev. Proc. 2000-4 involves the following collections of information:

Section 7.07 and section 9.06 involve the attachment of an applicable determination letter or the attachment of an applicable letter ruling to an income tax return. We estimate that 20 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from  $\frac{1}{4}$  hour to 1 hour, with average burden of  $\frac{1}{2}$  hour, for a total estimated burden of 10 hours annually.

Sections 9.02 and 9.04 pertain to information that must be submitted with various letter ruling requests. We estimate that 975 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 1 hour to 20 hours, with an average burden of 10 hours, for a total estimated burden of 9,750 hours annually.

Section 9.05 describes instances where a taxpayer with a pending letter ruling request must notify headquarters office of transactions that may affect the pending letter ruling. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 2 to 4 hours, with an average burden of 3 hours, for a total estimated burden of 30 hours annually.

Sections 10.02 and 10.03 pertain to what additional procedures might be applicable in the exempt organizations area and the employee plans area, respectively. We estimate that 40 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 4 to 8 hours, with an average burden of 6 hours, for a total estimated burden of 240 hours annually.

Sections 9.03, 11.03, 11.04, 11.05 and 11.06 pertain to additional information (including a draft of a letter ruling) that headquarters office may deem necessary in processing letter rulings. We estimate that 200 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 1 to 5 hours, with an average burden of 3 hours, for a total estimated

burden of 600 hours annually.

Sections 12.01, 12.06 and 12.07 pertain to the scheduling of conferences (including presubmission conferences) and additional information following conferences. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 8 to 16 hours, with an average burden of 12 hours, for a total estimated burden of 120 hours annually.

Sections 13.09(1) and section 14.02(1) concern information submitted in the filing of a request to limit the retroactivity of a letter ruling and a determination letter, respectively. We estimate that 50 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 4 to 8 hours, with an average burden of 6 hours, for a total estimated burden of 300 hours annually.

Appendix B is a checklist for taxpayers to ascertain whether their private letter ruling request is complete. We estimate that 800 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 1 to 3 hours, with an average burden of 2 hours, for a total estimated burden of 1,600 hours annually.

These various burdens do not necessarily represent a net additional burden to the taxpayer, since obtaining a private letter ruling or a determination letter can potentially save the taxpayer time spent on IRS audits and associated appeals and litigation.

The total burden for Rev. Proc. 2003-4 is 2,105 responses and 12,650 hours.

Rev. Proc. 2003-5 involves the following collections of information:

Section 6.03 involves a technical advice request and the filing for a letter ruling requesting an extension pursuant to §301.9100-1 of the procedure and administration regulations. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 5 to 20 hours, with an average burden of 8 hours, for a total estimated burden of 80 hours annually.

Section 9 permits a pre-submission conference in a technical advice

case. We estimate that approximately 20 taxpayers will make such requests annually. The estimated burden per respondent for recordkeeping/reporting is from 5 to 15 hours, with an average burden of 10 hours, for an additional estimated burden of 200 hours annually.

Sections 10.01, 10.02, 11.03, 11.04, and 16.10 concern information submitted in the filing of a request for technical advice. We estimate that 30 taxpayers will such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 20 to hours, with an average burden of 30 hours, for a total estimated burden of 900 hours annually.

Sections 11.05, 16.12, and 17.04 concern information submitted with respect to deletions in a technical advice memorandum. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/ reporting is from 5 to 20 hours, with an average burden of 8 hours, for a total estimated burden of 80 hours annually.

Sections 12.02 and 12.03 concern information submitted if a taxpayer's request for technical advice is denied by the office having audit or appeals jurisdiction. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 5 to 20 hours, with an average burden of 8 hours, for a total estimated burden of 80 hours annually.

Sections 13.01 concerns information submitted in the withdrawal of a request for technical advice. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 4 to 8 hours, with an average burden of 6 hours, for a total estimated burden of 60 hours annually.

Sections 14.03 and 14.10 concern information submitted for an extension of the period for a conference and post conference submissions. We estimate that 20 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 10 to 20 hours, with an average burden of 15 hours, for a total estimated burden of 300 hours annually.

Sections 19.03, 19.04, and 19.05 concern information submitted in the filing of a request to limit the retroactivity of a technical advice memorandum. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for

recordkeeping/reporting is from 10 to 20 hours, with an average burden of 15 hours, for a total estimated burden of 150 hours annually.

These various burdens do not necessarily represent a net additional burden to the taxpayer, since obtaining technical advice can potentially save the taxpayer time spent on IRS audits and associated appeals and litigation.

The total burden for Rev. Proc. 2003-5 is 100 responses and 1,850 hours.

Rev. Proc. 2003-6 involves the following collections of information:

Sections 6.16, 6.18, 7.04, 9.07, 9.08, 10.05, 19.02 and 21.04 (including the Appendix) involve the issuance of determination letters in employee plans matters; withdrawals of determination letter requests; and the issuance of advisory letters regarding a volume submitter specimen plan. We estimate that 80,663 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 1 to 21 hours, with an average burden of 2 hours, for a total estimated burden of 161,326 hours annually.

Sections 6.22 and 6.23 allow applicants for a determination letter that is more than 270 days old to request a status conference. With the exception of those instances where there is a change in law requiring a formal plan amendment and a determination letter from the Service, the average number of determination letter requests each year that exceed the 270 day number is approximately 1,000. Because the status conference is limited to case processing matters, it is estimated that no more than 10 percent (or 100) of the taxpayers in cases exceeding 270 days will request a status conference. The estimated amount of time for the preparation of the letter and the actual conference is one hour per case for an additional estimated burden of 100 hours annually.

Section 13 involves the issuance of determination letters in employee plans matters with respect to the adoption of group trusts within the meaning of Rev. Rul. 81-100 as amplified by section 254 of the Tax Equity and Fiscal Responsibility Act of 1982. We estimate that 30 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 2 to 40 hours, with an average burden of 19 hours, for a total estimated burden of

570 hours annually.

Section 15 concerns information submitted with the filing of a request in the instance of a plan that seeks a waiver of the minimum funding standards. We estimate that 30 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 6 to 20 hours, with an average burden of 13 hours, for a total estimated burden of 390 hours annually.

Section 16 pertains to transfers under section 420 of the Code of excess amounts from defined benefit plans to a health insurance trust within the meaning of section 401(h) of the Code. We estimate that 40 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 2 to 40 hours, with an average burden of 20 hours, for a total estimated burden of 800 hours annually.

The burden of the remaining collections of information with respect to this Rev. Proc. 2003-6 are already contained in a series of application forms (Form 5300, Form 5307, Form 5310, etc.) previously approved by the Office of Management and Budget. Accordingly, those hours are not duplicated in this item 12 or the related revenue procedure.

These various burdens do not necessarily represent a net additional burden to the taxpayer, since obtaining an employee plans determination letter or advisory letter can potentially save the taxpayer time spent on IRS audits and associated appeals and litigation.

The total burden for Rev. Proc. 2003-6 is 80,763 responses and 163,186 hours.

Rev. Proc. 2003-8 involves the following collections of information:

Sections 6.01(12), 6.08, and 6.09 provide for reduced user fees in the instance of a determination letter or private letter ruling request if the entity states that its assets or its gross receipts are less than a specified dollar amount (\$200,000 in assets or \$10,000 in gross receipts) in a given year. We estimate that 90 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 1 to 10 hours, with an estimated burden of 3 hours, for a total estimated burden of 270 hours annually.

Section 11 contains a method for requesting reconsideration of the

assessment of user fees. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent for recordkeeping/reporting is from 1 to 10 hours, with an average burden of 3 hours, for a total estimated burden of 30 hours annually.

The burden of the remaining collections of information with respect to this Rev. Proc. 2003-8 are already contained in Form 8717 and Form 8718 as previously approved by the Office of Management and Budget. Accordingly, those hours are not duplicated in this item 12 or the related proposed revenue procedure.

The total burden for Rev. Proc. 2003-8 is 100 responses and 300 hours.

The total burden for this submission is 83,068 responses and 177,986 hours.

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 2, 2009 (74 FR 26480), 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. 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

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

## **OMB EXPIRATION DATE**

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.