

SUPPORTING STATEMENT

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The final regulations require a collection of information in order for a taxpayer to make certain tax elections. The American Jobs Creation Act of 2004 amended the foreign tax credit treatment of dividends from noncontrolled section 902 corporations effective for post-2002 tax years, and the Gulf Opportunity Zone Act of 2005 permitted taxpayers to elect to defer the effective date of these amendments until post-2004 tax years (GOZA election). Treas. Reg. §1.904-7(f)(9)(ii)(C) requires a taxpayer making the GOZA election to attach a statement to such effect to its next tax return for which the due date (with extensions) is more than 90 days after April 25, 2006. Treas. Reg. §1.964-1(c)(3) requires certain shareholders making tax elections (section 964 elections) on behalf of a controlled foreign corporation or noncontrolled section 902 corporation to sign a jointly executed consent (that is retained by one designated shareholder) and to attach a statement to their tax returns for the election year.

2. USE OF DATA

The Service will use the information for audit purposes to determine whether taxpayers applied the appropriate foreign tax credit rules to dividends from noncontrolled section 902 corporations and to determine whether shareholders properly made tax elections on behalf of a controlled foreign corporation or noncontrolled section 902 corporation.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The collection of information in this submission can be filed as a Word document or PDF file with the respondent's tax return, so that electronic filing will be available to the extent the return is filed electronically. The temporary regulations eliminate a requirement in the current section 964 regulations that requires taxpayers to attach a statement bearing original signatures, which is an impediment to 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

A notice of proposed rulemaking was published in the Federal Register on August 7, 2009 (74 FR 39733). The public was provided a 60-day period in which to review and provide public comments relating to any aspect of the regulations. A public hearing was not requested and none was held.

In response to the Federal Register notice (74 FR 39733), dated August 7, 2009, requesting 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, we received no comments during the comment period regarding TD 9452.

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

Estimated total annual reporting burden: 25 hours (based on an estimated annual burden per respondent of a half hour and an estimated 50 respondents).

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 August 7, 2009, 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 to the total paperwork burden. This form is being submitted for renewal purposes only.

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 regulations 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.