

SUPPORTING STATEMENT
Revenue Procedure 2001-37

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

A taxpayer that wants to revoke its election to be treated as a domestic corporation for all purposes of the Internal Revenue Code (“Code”) must file a revocation statement with the Internal Revenue Service (“IRS”).

A foreign sales corporation (“FSC”) that wants to revoke its election to apply the extraterritorial income (“ET”) rules, in lieu of the FSC rules, to any transaction must file a request for consent with the IRS.

2. USE OF DATA

The IRS will use the revocation statement as evidence that the taxpayer intends to revoke its election to be treated as a domestic corporation for all purposes of the Code.

The IRS will use the request for consent as evidence that the taxpayer wishes to revoke its election to apply the ET rules in lieu of the FSC rules.

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

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 2001-37 was published in the **Internal Revenue Bulletin** on June 4, 2001 (2001-23 IRB 1327).

We received no comments during the comment period in response to the **Federal Register** notice dated August 4, 2010 (75 FR 47060).

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 collections of information are in sections 3, 4, 5.04, 5.06, 6.06 and 6.07 of the revenue procedure.

In section 5.06, we estimate that 54 taxpayers per year may want to revoke their election to be treated as a domestic corporation for all purposes of the Code. We estimate that preparing the required

revocation statement will require 20 minutes by each respondent, for a total of 18 hours annually.

In section 6.07, we estimate that 2 FSCs may want to revoke their election to apply the ET rules in lieu of the FSC rules. We estimate that preparing the required request for consent to revoke the election will require 20 minutes by each taxpayer, for a total of 1 hour. Sections 3, 4, 5.04, and 6.06 require taxpayers to file Form 8873. The average burden per respondent is reflected in the burden of Form 8873.

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 4, 2010 (75 FR 47060), 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 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.