

SUPPORTING STATEMENT
(Revenue Procedures 2008-40, -38, -39, -41, -42)

30592. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

RP 2008-40 allows issuers of life insurance contracts have failed to meet the definition of life insurance contract under section 7702 or to satisfy the requirements of section 101(f) of the Internal Revenue Code to cure these contracts so that they do not fail section 7702 or section 101(f). RP 2008-38 allows issuers of variable contracts have failed to meet the diversification requirements of section 817(h) of the Internal Revenue Code to cure these contracts so that they do not fail section section 817(h). RP 2008-39 allows issuers of life insurance contracts whose contracts have failed to meet the tests of section 7702A of the Internal Revenue Code to cure these contracts that have inadvertently become modified endowment contracts. RP 2008-41 allows issuers of variable contracts have failed to meet the diversification requirements of section 817(h) of the Internal Revenue Code to cure these contracts so that they do not fail section section 817(h). RP 2088-42 provides guidance as to how issuers of life insurance contracts may automatically obtain a waiver under section 7702(f)(8) or section 101(f)(3)(H) of the Internal Revenue Code to remedy certain life insurance contracts for certain reasonable errors that caused a contract to fail to satisfy the requirements of section 7702 or section 101(f).

30593. USE OF DATA

The data will be used to determine whether a taxpayer may enter into a closing agreement under this revenue procedure.

30594. 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.

30595. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

30596. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

Not applicable.

30597. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Not applicable.

30598. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

Not applicable.

30599. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Revenue Procedure 2008-40 was published in the **Internal Revenue Bulletin** on July 21, 2008 (2008-29, IRB 151). Revenue Procedure 2008-38 was published in the **Internal Revenue Bulletin** on July 21, 2008 (2008-29, IRB 139). Revenue Procedure 2008-39 was published in the **Internal Revenue Bulletin** on July 21, 2008 (2008-29, IRB 143). Revenue Procedure 2008-41 was published in the **Internal Revenue Bulletin** on July 21, 2008 (2008-29, IRB 155). Revenue Procedure 2008-42 was published in the **Internal Revenue Bulletin** on July 21, 2008 (2008-29, IRB 160).

In response to the **Federal Register Notice** dated **November 1, 2010 (75 FR 67164)**, we received no comments during the comment period regarding these revenue procedures.

30600. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

30601. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns, tax return information and closing agreements are confidential as required by 26 U.S.C. 6103.

30602. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

30603. ESTIMATED BURDEN OF INFORMATION COLLECTION

RP 2008-40:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 10 respondents will be required to comply with the above allocation and

disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-38:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 10 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-39:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 10 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-41:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 10 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-42:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 30 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 2550 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

30604. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register Notice** dated November 1, 2010 (**75 FR 67164**), 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.

30605. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

There are no changes in burden previously reported to 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.