

**SUPPORTING STATEMENT
(T.D. 8546)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 382(a) of the Internal Revenue Code of the 1986 limits the amount of a loss corporation's taxable income that can be used to offset certain loss carryovers for the taxable years following an ownership change. Section 383 of the Code extends the section 382 limitation to corporations with net capital loss carryovers, excess foreign taxes carried over under section 904(c), unused general business credits carried over under section 39, and unused minimum tax credits under section 53.

Loss corporations are required to file information statements under section 1.382-2T(a)(2)(ii). The statement is attached to the corporate tax return showing the time and amount of relevant changes in stock ownership in order to more readily verify compliance with the provisions of sections 382 and 383.

For purposes of determining the application of the section 382 limitation, loss corporations must allocate taxable income and loss between the period ending on the change date and the period following the change date. Under section 1.382-6(b) a loss corporation electing to allocate its taxable income or loss based on a closing of its books as of the change date must so state on the information statement required by section 1.382-2T(a)(2)(ii).

2. USE OF DATA

The reporting requirements will be used to verify compliance with sections 382 and 383 of the Internal Revenue Code.

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

The incremental burden imposed by these requirements is minimal in the case of any corporation, whether small or large.

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 November 19, 1992 (57 FR 54535). No public hearing was requested and none was held. The final regulations were published in the Federal Register on June 22, 1994 (59 FR 32078).

In response to the **Federal Register Notice dated May 12, 2011, (76 FR 27751)**, we received no comments during the comment period regarding T.D. 8546.

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

Burden estimations:

Section 1.382-6(b) of this regulation modifies the information reporting requirement of 1.382-2T(a)(2)(ii) and states that a corporation making the election under these regulations to allocate change year taxable income and loss between the period ending on and the period following the date of an ownership change based on a closing of its books as of the change date is required to make a statement on the information statement required to be filed under section 1.382-2T(a)(2)(ii).

We estimate that 2,000 corporations will elect to allocate taxable income and loss based on a closing of the books. The reporting burden for preparing the information statement is 0.1 hours per corporation, for an estimated total annual reporting burden of 200 hours.

Estimates of 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 May 12, 2011, (76 FR 27751)**, 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 during the comment period 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 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.