

SUPPORTING STATEMENT  
(TD 8898)  
OMB No. 1545-1691

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This regulation provides guidance regarding the continuity of interest requirement for corporate reorganizations and affect corporations and their shareholders. The regulations provide that distributions and redemptions by a target corporation prior to a potential reorganization are taken into account for continuity of interest purposes to the extent that the consideration received by the target shareholder in the redemption or distribution is treated as other property or money under section 356 of the Internal Revenue Code, or to the extent that the consideration would be treated as other property or money if the target shareholder also had received stock of the issuing corporation in exchange for stock owned by the shareholder in the target corporation.

2. USE OF DATA

The information is a private letter ruling request to apply the final regulations to a transaction in which a taxpayer has entered into a binding agreement on or after January 28, 1998 (the effective date of § 1.368-1T), and before the effective August 30, 2000 (date of the final regulations). This information will be used to ensure that all parties to the transaction take consistent positions for Federal tax purposes.

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

The temporary regulation (TD 8761) was published in the *Federal Register* on January 23, 1998, (63 FR 4183) with a notice of proposed rulemaking (REG-120882-97) published in the same issue (63 FR 4204) soliciting comments on TD 8761. Final regulations were published as TD 8898 on February 5, 2013 (78FR 8225).

We received no comments during the comment period in response to the *Federal Register* notice (78 FR 8225), dated February 5, 2013.

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collection of information is in § 1.368–1(e)(7) and is a private letter ruling request to apply the final regulations to a transaction in which a taxpayer has entered into a binding agreement as prescribed under this section.

The burden estimate is as follows:

No. of Respondents	No. of Responses Per Respondent	No. of Responses	Time per Response	Total Burden
10	1	10	150	1,500

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 February 5, 2013, 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 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.