

SUPPORTING STATEMENT
26 CFR 301.9100-7T, Time and Manner of Making Certain Elections
Under the Tax Reform Act of 1986
OMB No. 1545-0982

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 301.9100-7T lists certain elections that are provided by Tax Reform Act of 1986 and provides general rules regarding the time and the manner for making the elections. These regulations enable taxpayers to take advantage of various benefits provided by the Code.

2. USE OF DATA

The information contained in these regulations will be used to determine the requirements with respect to various elections made under the Tax Reform Act of 1986.

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

We have been unable to reduce burden for small businesses.

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 regulations were published in the *Federal Register* on February 5, 1987, at 52 FR 3623), as TD 8124 to add new part 5h.
- A notice of proposed rulemaking (NPRM) was published September 9, 1987, at 52 FR 33953 that contained proposed amendments to the temporary regulation.
- A Final and Temporary regulations were published March 1, 1988, at 53 FR 6146, as TD 8180, that adopted the proposed amendments.
- TD 8435 was published on September 23, 1992, at 57 FR 43897, that moves Part 5h to Part 301 and designated § 5h.5 as §301.9100-7T.

In response to the **Federal Register** notice regarding taxpayer burden related to this information collection dated May 17, 2013 (78 FR 29206), we received no comments during the comment period regarding this information collection.

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

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 301.9100-7T sets forth general rules for the time and manner of making various elections under the Tax Reform Act of 1986 (The Act). General rules regarding the time for making the elections are provided in paragraph (a)(2) of this section. General rules regarding the manner for making the elections are provided in paragraph (a)(3) of this section. Special rules regarding the time and manner for making certain elections are contained in paragraphs (a) through (i) of this section. If a special rule applies to one of the elections listed below, a cross-reference to the special rule is shown in brackets at the end of the description of the "Availability of Election." Paragraph (j) of this section provides that additional

information with respect to elections may be required by future regulations or revenue procedures.

Section of Act	Section of Code	Description of Election	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
201(a)	168(b)(5)	Election to depreciate property using the straight line method of recovery with respect to one or more classes of property for any taxable year	2,000	1	2,000	0.25	500
201(a)	168(f)(1)	Election to exclude certain property from the accelerated cost recovery system	3,000	1	3,000	0.25	750
201(a)	168(g)(7)	Election to use alternative depreciation system with respect to one or more classes of property for any taxable year (except for residential rental or non-residential real property where the election may be made separately with respect to each property)	1,000	1	1,000	0.25	250
201(a), 1802(a)	168(h)(6)(F) (ii), 168(j) (as in effect before 10/22/86)	Election by a tax-exempt controlled entity to treat any gain recognized by the tax-exempt parent on any disposition of an interest in the tax-exempt controlled entity (and to treat any dividends or interest received or accrued from the tax-exempt controlled entity) as unrelated business taxable income under Code section 511 in order for the tax-exempt controlled entity to not be treated as a tax-exempt entity (or as a successor to a tax-exempt entity)	10,000	1	10,000	0.25	2,500
203(a)(1) (B)		Election to apply Act section 201 (including all elections within section 201)	50	1	50	0.25	13
204(e)		Election to have Act section 201 either (i) not apply to any property placed in service during 1987 or 1988 which is replacement property for property lost, damaged or destroyed in a flood which occurred 11-3-85 through 11-7-85 and which was declared a natural disaster area by the President of the United States, or (ii) apply to all such replacement property placed in service during 1985 or 1986	200	1	200	0.25	50
243(a)		Election to begin the 60 month amortization period with the first month of the taxpayer's first taxable year beginning after 11-19-82 in lieu of the 11-19-82 date or the bus operating authority acquisition date	100	1	100	0.25	25
243(b)		Election to begin the 60 month amortization period on the first month of the taxpayer's first taxable year beginning after the deregulation month in lieu of the deregulation month	75	1	75	0.25	19

Section of Act	Section of Code	Description of Election	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
243 (a), (b)		Election by a qualified corporate taxpayer to allocate a portion of the cost basis of a qualified acquiring corporation in the stock of an acquired corporation to the basis of the authority	25	1	25	0.25	6
252(a)	42(f)(1)	Election concerning beginning of credit period for low-income housing credit	5,000	1	5,000	0.25	1,250
252(a)	42(g)(1)	Election concerning qualified low-income housing project to either satisfy the 20-50 or the 40-60 occupancy test	3,000	1	3,000	0.25	750
252(a)	42(i)(2)	Election to reduce eligible basis by outstanding balance of Federal loan subsidy	2,000	1	2,000	0.25	500
252(a)	42(j)(5)	Election to have certain partnerships treated as the taxpayer eligible for low-income housing credit	1,500	1	1,500	0.25	375
311(d)(2)		Revocation of prior election under Code section 631(a)	200	1	200	0.25	50
411(b)(1)	263(i)	For intangible drilling and development costs paid or incurred with respect to an oil, gas, or geothermal well located outside the United States, election to include such costs in adjusted basis for purposes of computing the amount of any deduction under Code section 611 (without regard to section 613)	200	1	200	0.25	50
411(b)(2)	616(d)	For expenditures paid or incurred with respect to the development of a mine or other natural deposit (other than an oil, gas, or geothermal well) located outside the United States, election to include such expenditures paid or incurred during the taxable year for which made in adjusted basis for purposes of computing the amount of any deduction under Code section 611 (without regard to section 613)	200	1	200	0.25	50
411(b)(2)	617(h)	For expenditures paid or incurred before the development stage for the purpose of ascertaining the existence, location, extent or quality of any deposit of ore or other mineral deposit (other than an oil, gas or geothermal well) located outside the United States, election to include all such expenditures, paid or incurred during the taxable year with respect to any such deposit, in adjusted basis for purposes of computing the amount of any deduction under Code section 611 (without regard to section 613)	200	1	200	0.25	50

Section of Act	Section of Code	Description of Election	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
501(a)	469(j)(9)	Election to increase basis of property by amount of disallowed credit for purposes of determining gain or loss from a disposition of property used in a passive activity	200	1	200	0.25	50
614(b)	1059(c)(4)	Election to determine whether a dividend is extraordinary by reference to the fair market value of the share of stock with respect to which the dividend was received	200	1	200	0.25	50
644(d)	216(b)(3)	Election by a cooperative housing corporation to allocate real estate taxes or interest or both to each tenant-stockholder's dwelling unit in a manner which reasonably reflects the cost to the corporation of the tenant-stockholder's dwelling unit	200	1	200	0.25	50
646		Election by an entity to be treated as a trust under the Internal Revenue Code if such entity was created in 1906 as a common law trust and governed by the trust laws of the State of Minnesota, receives royalties from iron ore leases, and income interests in the entity are publicly traded on a national stock exchange	5	1	5	0.25	1
651	4982(e)(4)	Election by a regulated investment company to use taxable years ending on 11-30 or 12-31 for purposes of computing capital gain net income under Code section 4982	40	1	40	0.25	10
701(a)	56(f)(3)(B)	Election to have amount of net book income be equal to amount of earnings and profits	200	1	200	0.25	50
801(a)	448(d)(4)	Election of common parent of an affiliated group that all members of such group be treated as one taxpayer if substantially all the activities of all members of the affiliated group involve performance of services in the same field	200	1	200	0.25	50
801(d)(2)		Election to continue using the cash method of accounting for loans, leases and related party transactions	200	1	200	0.25	50
802	474	Election by certain small businesses to use the simplified dollar-value LIFO method	200	1	200	0.25	50
803(a)	263A(d)(3)	Election to have rules of Code section 263A (relating to capitalization and inclusion in inventory costs of certain expenses) not apply to any plant or animal produced in any farming business conducted by the electing taxpayer	200	1	200	0.25	50

Section of Act	Section of Code	Description of Election	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
806(e)(2)(C)		Election to have net income for the short taxable year of a partnership or S corporation which results from the required change in accounting period included entirely in income for such short taxable year	200	1	200	0.25	50
		Election to reduce partnership or S corporation income for the short taxable year resulting from a required change in accounting period under section 806 of the Act by an unamortized adjustment amount existing as of October 22, 1986, where such adjustment was required to effectuate a previous accounting period change under Rev. Proc. 72-51, 1972-2 C.B. 832 or Rev. Proc. 83-25, 1983-1 C.B. 689	200	1	200	0.25	50
811(a)	453C(b)(2)(B)	Election to compute adjusted bases using depreciation deduction used under Code section 312(k)	200	1	200	0.25	50
811(a)	453C(e)(4)	Election to have Code section 453C not apply to obligations arising from sales of timeshares and unimproved residential lots to individuals	200	1	200	0.25	50
905(a)	165(l)(1)	Election to treat amount of reasonably estimated loss on a deposit in insolvent or bankrupt qualified financial institution as a loss described in Code section 165(c)(3) and incurred in the taxable year	200	1	200	0.25	50
905(c)		Election to apply Code section 451(f) (relating to treatment of interest on frozen deposits in certain financial institutions)	200	1	200	0.25	50
1301(b)	141(b)(9)	Election by issuer of tax-exempt bonds to treat a portion of an issue as a qualified 501(c)(3) bond if such portion would have qualified as a 501(c)(3) bond had it been issued separately	200	1	200	0.25	50
1301(b)	142(d)(1)	Election by issuer of tax-exempt bonds for residential rental property to satisfy either the 20-50 or the 40-60 occupancy test	200	1	200	0.25	50
1301(b)	142(d)(4)(B)	Election by issuer of tax-exempt bonds for residential rental property to treat the project as a deep rent skewed project	200	1	200	0.25	50
1301(b)	143(k)(9)(D)(iii)	Election to treat limited equity cooperative housing as residential rental property and not as owner-occupied housing	200	1	200	0.25	50

Section of Act	Section of Code	Description of Election	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
1301(b)	145(d)	Election by issuer of tax-exempt bonds to have Code section 145 not apply to the issue if the issue is an issue of exempt facility bonds or qualified redevelopment bonds, to which the volume cap applies	200	1	200	0.25	50
1301(b)	147(b)(4) (A)	Election by issuer of qualified 501(c)(3) bonds to have such bonds treated as meeting the limitation on maturity requirements of Code section 147(b)(1) if the requirements of section 147(b)(4)(B) are met	200	1	200	0.25	50
1704(b)		Election to revoke prior election under Code section 1402(e) (relating to exemption from social security taxes for certain clergy)	5,000	1	5,000	0.25	1,250
1801(a)	168(i) (as in effect before 10/22/86)	Election to make finance leasing rules inapplicable to property which would otherwise be subject to them under the transitional rules of section 12(c)(1) of the Tax Reform Act of 1984	200	1	200	0.25	50
1804(e)(4)		Election by a common parent of an affiliated group to apply amendments made by the Tax Reform Act of 1984 for taxable years beginning after 12-31-83	5	1	5	0.25	1
1807(a)(7)	468B	Election to treat a qualified payment made to a court-ordered fund as a payment made to a designated settlement fund	200	1	200	0.25	50
1809(e)(2)	48(b)(2)	Election by lessee and lessor not to apply the rule of Code section 48(b)(2) concerning the date leased property is treated as originally placed in service	200	1	200	0.25	50
1810(1)(4)	7701(b)	Election to be treated as a resident alien	200	1	200	0.25	50
1879(p)(1)	83(c)(3)	Election to treat certain stock acquired upon the exercise of nonqualified stock options as subject to a substantial risk of forfeiture by reason of Code section 83(c)(3) even though the transfer of stock pursuant to such exercise occurred before 1-1-82, the effective date of section 83(c)(3)	200	1	200	0.25	50
1882(c)	3121(w)(2)	Election to revoke prior election under Code section 3121(w) (relating to exemption from social security taxes for certain churches and qualified church-controlled organizations)	200	1	200	0.25	50
Totals			39,000	1	39,000	0.25000 0	9,750

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 May 17, 2013 (78 FR 29206), 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

This revision updates the elections identified under §301.9100-7T and adjusts the burden accordingly.

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.