

SUPPORTING STATEMENT
OMB #1545-1861
Revenue Procedure 2004-19, Probable or Prospective Reserves Safe Harbor
Revenue Procedure 2004-19

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This revenue procedure provides an elective safe harbor that the owner of an oil and gas property may use to estimate the property's probable or prospective reserves (a component of total recoverable units) for purposes of computing cost depletion under § 611 of the Internal Revenue Code. The collection of information in the election statement is necessary to determine whether a taxpayer is using the safe harbor to estimate the probable or prospective reserves for each of its domestic oil and gas producing properties.

2. USE OF DATA

The information in the election statement is to be used by revenue agents and petroleum engineers to determine whether a taxpayer is using the safe harbor to estimate the probable or prospective reserves for each of its domestic oil and gas producing properties by distinguishing estimates of probable or prospective reserves determined under the safe harbor from estimates of probable or prospective reserves determined on a facts and circumstances basis.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission.

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 2004-19 was published in the **Internal Revenue Bulletin** on March 8, 2004 (2004-10 IRB 563).

We received no comments during the comment period in response to the **Federal Register** Notice dated **May 16, 2013 (78 FR 28944)**.

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 5 of the revenue procedure: Taxpayers that want to elect (or revoke) the probable or prospective reserves safe harbor attach an election (or revocation) statement to their original (or amended) return. The estimated annual reporting burden is 50 hours. The estimated annual burden per respondent varies from .25 hours to .75 hours, depending

on individual circumstances, with an estimated average of .5 hours. The estimated number of respondents is 100. The total annual burden is 50 hours.

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 **May 16, 2013 (78 FR 28944)**, 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.