

SUPPORTING STATEMENT
TD 8448 – Enhanced Oil Recovery Credit
(PS-97-91 and PS-101-90)
OMB No. 1545-1292

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

These final regulations relate to the enhanced oil recovery credit for certain costs that are paid or incurred in connection with a qualified enhanced oil recovery project. Changes to the applicable law were made by the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508). These regulations provide the public with guidance in determining the costs that are subject to the credit, the circumstances under which the credit is available, and the procedures whereby a project is certified as a qualified enhanced oil recovery project.

2. USE OF DATA

Enhanced oil recovery projects are typically implemented in respect of oil and gas properties that have numerous co-owners. Section 43(c)(2)(B) requires that the operator must certify to the Service that the project meets certain requirements. This information is necessary in order for the Service to verify that the other owners of working interests (other than the operator) in the property who are eligible to claim the enhanced oil recovery credit have in fact claimed the credit with respect to qualified costs.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The collection of information does not involve the use of automated, electronic, or other technological collection techniques.

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**

A notice of proposed rulemaking (PS-101-90) was published in the *Federal Register* on December 30, 1991 (56 FR 67256) related to the enhanced oil recovery credit for certain costs that are paid or incurred in connection with a qualified enhanced oil recovery project. Temporary regulations (PS-097-91) were published in the *Federal Register* on December 30, 1991 (56 FR 67255) relating to the certification of enhanced oil recovery projects. The general public was provided an opportunity to review and provide comments upon any aspect of the proposed regulations and the temporary, including the reporting requirements. The final regulations were published in the *Federal Register* on November 23, 1992, at 57 FR 54919, as TD 8448.

In response to the *Federal Register* notice dated June 27, 2013, (78 FR 38806), 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**

The collection of information in this final regulation is in §§ 1.43-3 and 1.43-7.

The certification requirements under §§1.43-3(a)(3) and (b)(3) is required by the Internal Revenue Service pursuant to section 43(c)(2)(B) and will be used to verify that a project undertaken by a taxpayer is and continues to be a qualified enhanced oil recovery project.

We estimate that there will be approximately 20 respondents per year and that it will take each approximately 72 hours per response. The estimated total annual burden is 1,440 hours.

The information is required under §1.43-7 is requires by the Internal Revenue Service to verify that a taxpayer has elected to apply the provisions of §§ 1.43-1, 1.43-2, 1.43-4, 1.43-5, and 1.43-6 for costs paid or incurred in connection with an enhanced oil recovery project for which first injection of liquid, gases, or other matter occurs after December 31, 1990. We estimate that there will be approximately 20 respondents per year and that it will take each approximately 1. The estimated total annual burden is 20 hours.

Section	Respondents	#Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
1.43-3	20	1	20	72	1,440
1.43-7	20	1	20	1	20
Total	20	2	40	36.50	1,460

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 June 27, 2013 (78 FR 38806), 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 an adjustment to correct the reporting of the number of responses. The adjustment does not change the total burden. 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

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.