

SUPPORTING STATEMENT
(Revenue Procedure 2002-43)
OMB # 1545-1793

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The collection of information is necessary in order for (i) a terminating common parent of a consolidated group to designate a substitute agent for the consolidated group pursuant to Treasury Regulations. Section 1.1502-77(d)(1) or Section 1.1502-77A(d); (ii) the remaining members of a consolidated group to designate a substitute agent pursuant to Section 1.1502-77A(d); (iii) the default substitute agent to notify the Internal Revenue Service (IRS) that it is the default substitute agent pursuant to Section 1.1502-77(d) (2); or (iv) requests by a member of the group for the IRS to designate a substitute agent or replace a previously designated substitute agent.

2. USE OF DATA

The information will notify the IRS that the group's common parent will terminate and designate a substitute agent, that a default substitute agent exists, that remaining members have designated a substitute agent, or that a member of the group requests the IRS to designate a substitute agent or replace a previously designated substitute agent. The IRS will use the information to determine whether to approve the designation of the new agent (if approval is required) or to designate or replace a substitute agent, and to change the IRS's records to reflect the name and other information about the substitute agent.

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 2002-43 was published in the Internal Revenue Bulletin on July 15, 2002 (2002-28 IRB 99).

We received no comments during the comment period in response to the *Federal Register* notice dated October 14, 2014 (79 FR 61689).

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

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master File (BMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing

proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Sections 6 and 7: Before going out of existence, the group's common parent is required to notify the IRS of the designation of another corporation to be the group's substitute agent, pursuant to regulations section 1.1502-77(d)(1) or section 1.1502-77A(d). For designations pursuant to section 1.1502-77(d)(1), the designated substitute agent must include a signed statement indicating its agreement to serve as the group's substitute agent, and if it is the successor of the common parent or of another member of the group, a signed statement that it is liable for the consolidated tax. It is estimated these requirements will affect 100 respondents per year, with a burden of two hours per respondent, for an annual burden of 200 hours.

Section 8: If the remaining members of the group designate a substitute agent pursuant to section 1.1502-77A(d), they are required to notify the IRS of the designation. It is estimated this requirement will affect 20 respondents per year, with a burden of two hours per respondent, for an annual burden of 40 hours.

Section 9: If the common parent did not designate a substitute agent before it terminated but a default substitute agent (i.e., a single successor that is a domestic corporation) exists, the default substitute agent must notify the IRS in order to be recognized as the group's substitute agent. It is estimated this requirement will affect 40 respondents per year, with a burden of two hours per respondent, for an annual burden of 80 hours.

Section 10: If the common parent did not designate a substitute agent before it terminated, any remaining member of the group may request that the IRS designate a substitute agent. It is estimated this requirement will affect 25 respondents per year, with a burden of two hours per respondent, for an annual burden of 50 hours.

Section 11: If the IRS designates a substitute agent pursuant to section 1.1502-77(d)(3), one or more members of the group may request that the IRS replace the previously

designated substitute agent. It is estimated this requirement will affect 15 respondents per year, with a burden of two hours per respondent, for an annual burden of 30 hours.

The total estimated burden for this revenue procedure is 400 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 dated October 14, 2014, 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

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.