

SUPPORTING STATEMENT
OMB 1545-1641
(Revenue Procedure 99-17)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Revenue Procedure 99-17

Generally, a taxpayer must obtain the consent of the Commissioner to change a method of accounting for federal income tax purposes. To obtain this consent, a Form 3115, Application for Change in Accounting Method, must be filed during the taxable year in which the taxpayer desires to make the change in method of accounting. The Commissioner, however, is authorized to prescribe administrative procedures setting forth the limitations, terms, and conditions the Commissioner deems necessary to obtain consent.

This revenue procedure provides the exclusive procedure for dealers in commodities and traders in securities or commodities to make an election to use the mark-to-market method of accounting under § 475(e) or (f) of the Internal Revenue Code.

The legislative history to § 475(e) and (f) states that the mark-to-market election will be made in the time and manner prescribed by the Secretary and will be effective for the taxable year for which it is made and all subsequent taxable years, unless revoked with the consent of the Secretary.

Revenue Procedure 99-49

Section 6 of Rev. Proc. 99-17 is superseded. The remainder of Rev. Proc. 99-17 remains in effect as originally published.

Revenue Procedure 2002-9

This revenue procedure clarifies, modifies, amplifies, and supersedes Rev. Proc. 99-49 (1999-2 C.B. 725). It also consolidates automatic consent procedures for changes in several methods of accounting that were published subsequent to the publication of Rev. Proc. 99-49, 1999-2 C.B. 725, and provides new automatic consent procedures for changes in several other methods of accounting. A taxpayer complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner of Internal Revenue to change its method of accounting under § 446 (e) of the Internal Revenue Code and the Income Tax Regulations thereunder.

2. USE OF DATA

A taxpayer makes an election by attaching a statement to an original federal income tax return for the election year that describes the election being made, the first taxable year for which the election is effective, and, in the case of an election under § 475(f), the trade or business for which the election is made. This revenue procedure applies to commodities dealers, securities traders, and commodities traders that want to make an election to use the mark-to-market method of accounting under § 475(e) or (f).

This information is required by the IRS in order to facilitate monitoring taxpayers changing accounting methods resulting from making the elections under §475(e) or (f). This information will be used if a taxpayer making the change is audited.

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

We have attempted to minimize burden on small businesses or entities.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Less frequent collection is not possible as this is a one- time election.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent.

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 99-17 (1999-7 I.R.B. 52) published February 16, 1999.

Section 6 of Rev. Proc. 99-17 is superseded by Revenue Procedure 99-49 (1999-52 I.R.B. 725) published December 27, 1999. The remainder of Rev. Proc. 99-17 remains in effect as originally published.

Revenue Procedure 2002-9 supersedes Revenue Procedure 99-49 (2002-3 I.R.B. 327) published January 22, 2002.

In response to the **Federal Register Notice** dated **September 19, 2014 (79 FR 56435)**, we received no comments during the comment period regarding Revenue Procedure 99-17.

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

No payments or gifts are provided to respondents.

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 being collected by this information collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

It is estimated that 1,000 businesses or other for-profit institutions will provide an election under section 5.01-5.04 of the revenue procedure, with an estimated, one-time burden per respondent estimated of 30 minutes, for a total burden of 500 hours.

The burden associated with Form 3115, Application for Change in Accounting Method, is cleared under OMB No. 1545-0152). The burden of the requirement to file amended returns in section 5.01 of this revenue procedure is reflected in the burden of Forms 1120X (OMB No. 1545-0132) and 1040X (OMB No. 1545-0074).

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register Notice** dated **September 19 2014 (79 FR 56435)**, 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.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no annualized cost to the federal government.

15. REASONS FOR CHANGE IN BURDEN

This request is for the reinstatement of an expired information collection. There is no actual change in burden.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS IN APPROPRIATE

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

There are no exceptions to the certification statement.

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.