

**SUPPORTING STATEMENT
OMB 1545-2207
Rev Proc 2011-26**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 168(k)(5), added by §401(b) of Pub. L. 111-312, allows a taxpayer to claim a 100-percent additional first year depreciation deduction for property placed in service after 9/8/10 and before 1/1/12 (2013 for certain long period production property). This benefit applies retroactively. Where the property is a component used in a larger self-constructed property commenced before 9/9/10, a taxpayer must elect the 100% bonus depreciation deduction. Also, for a taxpayer's tax year that includes 9/9/10, a taxpayer may elect to claim 50% bonus depreciation rather than 100% bonus depreciation for purposes of administrative ease. These elections are voluntary and are made by attaching a statement to the taxpayer's return for the applicable year. These elections will assist the IRS' examination function.

2. USE OF DATA

The data collected will provide the Secretary with the information necessary to track whether respondents may properly claim 100% additional first year depreciation for components acquired after September 8, 2010, but used in a self-constructed property commenced by the taxpayer before Sept. 9, 2010.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The electronic submission of the information is permitted.

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

Treasury and the IRS have received informal comments from the public offering suggestions for guidance under section 168(k). In response to the Federal Register notice (79 FR 56435), dated September 19, 2014, we received no comments during the comment period regarding these proposed and temporary regulations.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No personally identifiable information (PII) is collect

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collections of information are in sections 3.02(2)(b)(ii) and 4.03 of this revenue procedure.

In section 3.02(2)(b)(ii) a taxpayer must elect 100% bonus depreciation for components acquired after 9/8/10 that are part of a self-constructed property commenced before 9/9/10. In section 4.03 a taxpayer may elect 50% bonus depreciation rather than 100% bonus depreciation for its taxable year that includes 9/9/10. The information is required to obtain the benefit and will be used for audit purposes.

The estimated annual burden per respondent is .5 hours and the estimated number of respondents is 250,000.

The estimated annual burden is 125,000.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice (79 FR 56435), dated September 19, 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 responses from taxpayers on this subject. As a result, estimates of these 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. This information collection is being submitted for renewal purposes only.

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 guidance sunsets as of the expiration date.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB PRA SUBMISSION FORM

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.

19. REASON FOR EMERGENCY SUBMISSION

N/A