

**SUPPORTING STATEMENT
(Revenue Procedure 2015-13)
OMB # 1545-1541**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 446(e) of the Internal Revenue Code and section 1.446-l(e) of the Income Tax Regulations require a taxpayer to obtain the consent of the Commissioner before changing a method of accounting for federal income tax purposes. Section 1.446-l(e)(3)(i) requires a taxpayer requesting a change in accounting method to file a Form 3115, Application for Change in Accounting Method, during the taxable year the taxpayer desires to make the change. This revenue procedure requires taxpayers to provide information that is not collected on the Form 3115.

Section 7 outlines the terms and conditions for a change in method of accounting. 7.03(3)(d)(ii) lists what the eligible acquisition transaction election statement must include. Section 8 outlines what is required in the various situations where the IRS will not require the taxpayer to change its method of accounting for the same item for a taxable year prior to the requested year of change. Section 11 outlines what is required to request an extension of time to provide additional information and steps to take to sign and return the consent agreement. Section 13 outlines what is required by the taxpayer to revise the year of change for a Form 3115 for a non-automatic change to a subsequent taxable year, but no later than the taxpayer's current taxable year (with no additional user fee), in lieu of submitting a new Form 3115 for the subsequent taxable year. Section 15 outlines the transition rules and requirements for periods of time outside of the scope of this document.

2. USE OF DATA

The information will be used by the Service to determine whether to consent to a change in accounting method and the appropriate terms and conditions for the change.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency whenever possible.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESS OR OTHER

SMALL ENTITIES

There are no methods to minimize burden on small businesses or small entities.

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

If the IRS did not collect this information, the IRS would not be able to obtain information that is not collected on the Form 3115. Therefore, the IRS would not be able to determine whether to consent to a change in accounting method and the appropriate terms and conditions for the change.

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 with Guidelines in 5 CFR 1320.5(d)(2).

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 97-27 was published in the Internal Revenue Bulletin on May 27, 1997 (Revenue Procedure 97-27, 1997-21, IRB. 10).

- RP 97-27 was modified and amplified by Revenue Procedure 2002-19 and was published in the Internal Revenue Bulletin on April 1, 2002 (2002-13, IRB 696).
- RP 2002-19 was amplified and clarified by Revenue Procedure 2002-54 and was published in the Internal Revenue Bulletin on September 3, 2002 (2002-35, IRB 432).
- RP 2002-54 was modified by Revenue Procedure 2007-67 and was published in the Internal Revenue Bulletin on November 26, 2007 (2007-48, IRB 1072).

In response to the Federal Register notice dated August 27, 2015 (80 FR 52095), we received no comments during the comment period regarding Rev. Proc. 97-27.

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

No payment or gift has been provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Submissions under this revenue procedure are considered tax returns and tax return information, which are confidential as required by 26 U.S.C. § 6103. In general, certain matters relating to taxability and deductibility are disclosable under 26 U.S.C. § 6110.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 7.03(3)(d) requires a taxpayer electing a one-year § 481(a) adjustment under the “Eligible acquisition transaction election” to attach a statement identifying the parties to the transaction and making an affirmative election statement. We estimate that 250 taxpayers will make such submissions annually. The estimated burden per respondent is 1.5 hours, for a total estimated burden of 375 hours.

Section 8.02(1)(a) provides that a taxpayer under examination who files a Form 3115 within the 3-month window period must attach a statement to the Form 3115 explaining that the taxpayer is filing under this provision. The 3-month window period replaces the 90-day window period described in section 6.03(2) of Rev. Proc. 2011-14, and section 6.01(2) of Rev. Proc. 97-27. We estimate that 153 taxpayers will make such submissions annually. The estimated burden per respondent is $\frac{1}{4}$ of an hour, for a total estimated burden of 38.25 hours.

Section 8.02(1)(c) provides that a taxpayer under examination who files a Form 3115 to change its present method of accounting when that method is not before the director must attach a statement to the Form 3115 explaining that the taxpayer is filing under this provision. We estimate that 200 taxpayers will make such submissions annually. The estimated burden per respondent is $\frac{1}{4}$ of an hour, for a total estimated burden of 50 hours.

Section 8.02(1)(d) provides that a parent of a consolidated group that participates in the Compliance Assurance Process may file a Form 3115 on behalf of a new member of the consolidated group for the taxable year the new member became a member of the consolidated group, provided that the new member satisfies certain requirements and includes a statement that the change is filed under section 8.02(1)(d). We estimate that 55 taxpayers will make such submissions annually. The estimated burden per respondent is $\frac{1}{4}$ of an hour, for a total estimated burden of 13.75 hours.

Section 8.02(1)(e) provides that a taxpayer under examination who files a Form 3115 to change its present accounting method which is not a change that would ordinarily be made on examination, must attach a statement to the Form 3115 explaining that the taxpayer is filing the Form 3115 under this section. We estimate that 200 taxpayers will make such submissions annual. The estimated burden per respondent is $\frac{1}{4}$ of an hour, for a total estimated burden of 50 hours.

Section 11.01 provides that, if supplemental information is needed, taxpayers will be provided 21 days to furnish the information. A taxpayer may request additional time to

furnish the information. The request for an extension of time must be made in writing and submitted within the 21-day period. We estimate that 3,579 taxpayers annually will be requested to provide additional information and 100 of those taxpayers will request an extension of time. The estimated burden per respondent is ½ of an hour to 5 hours, with an average burden of 3 hours, for a total estimated burden of 10,737 hours.

Section 11.03 requires a taxpayer that disagrees with the terms and conditions of the accounting method change to express the disagreement together with an explanation within 45 days after the issuance of the Service’s consent letter. We estimate that 10 taxpayers will make such submissions annually. The estimated burden per respondent is one to two hours, with an average burden of 1½ hours, for a total estimated burden of 15 hours.

Section 15.02 provides transition rules that permit a taxpayer: (1) to apply Rev. Proc. 97-27 or Rev. Proc. 2011-14 until December 31, 2014, (sec. 15.02(1)); (2) make an election under sections 7.03(3)(c) (de minimus § 481(a) adjustment) or 7.03(3)(d) (an eligible acquisition transaction) to a currently filed Form 3115 (sec. 15.02(3)), or (3) make a change during the remainder of the taxpayer’s 90-day window period, if the taxpayer is otherwise eligible to file under this revenue procedure (section 15.02(5)). In each instance, taxpayer must attach a statement that the Form 3115 is filed under the respective section. We estimate that 718 taxpayers will make such submission. The estimated burden per respondent is ¼ of an hour to 1.5 hours, with an average burden of ½ of an hour, for a total estimated burden of 359 hours.

Prior to the issuance of Rev. Proc. 2015-13, the advance consent procedures (Rev. Proc. 97-27 as amended, reported under control 1545-1541) and the automatic consent procedures (Rev. Proc. 2011-14 as amended, reported under control 1545-1551) contained parallel procedural provisions. These provisions will now be consolidated into Rev. Proc. 2015-13 as a master procedural document. Accordingly, the burden previously attributable to the procedural provisions of Rev. Proc. 2011-14 is being removed from 1545-1551 and is being added to the burden for Rev. Proc. 2015-13 under control 1545-1541. We estimate 5,532 taxpayers will make such a submission. The estimated burden per respondent is 1¼ hour, for a total estimated burden of 6,915 hours.

SECTION	# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Total Burden
7.03(3)(d)	250	1	250	1.50	375.00
8.02(1)(a)	153	1	153	0.25	38.25
8.02(1)(c)	200	1	200	0.25	50.00
8.02(1)(d)	55	1	55	0.25	13.75
8.02(1)(e)	200	1	200	0.25	50.00
11.01	3,579	1	3,579	3.00	10,737.00

11.03	10	1	10	1.50	15.00
15.02	718	1	718	0.50	359.00
RP 2011-14	5,532	1	5,532	1.25	6,915.00
Total	10,697		10,697		18,553.00

Estimates of the annualized cost to respondents for the hour burdens shown is not available at this time.

13. ESTIMATED TOTAL ANNUALIZED COST BURDEN TO RESPONDENTS

There are no estimated total annual cost burden to respondents.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no start-up costs associated with this collection.

15. REASONS FOR CHANGE IN BURDEN

The change in the burden reflects the changes to the change in method of accounting procedures implemented in Rev. Proc. 2015-13. We are making this submission to renew the OMB approval.

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

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 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 for this collection.

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.

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