

SUPPORTING STATEMENT  
OMB No. 1545-1551  
Rev. Proc. 2016-29

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 446(b) the Internal Revenue Code and §1.446-1(b) of the Income Tax Regulations states that, if a taxpayer's method of accounting does not clearly reflect income, the computation of taxable income shall be made under such method as, in the opinion of the Commissioner, does clearly reflect income. Section 446(e) and §1.446-1(e) require a taxpayer to obtain the consent of the Commissioner before the taxpayer changes its method of accounting.

In order to determine whether a taxpayer has properly adopted or changed to a permitted method of accounting, certain information about the taxpayer's use of the method is required. The revenue procedures request the information necessary to make that determination when the information is not otherwise available.

Seven sufficiently related revenue procedures are included in this Paperwork Reduction Act submission. Although other items in this supporting statement aggregate the data for the seven revenue procedures, are described separately in item 12.

2. USE OF DATA

The information will be used to determine whether the taxpayer properly adopted or changed to a permitted method of accounting.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing. IRS publication, 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

The user fee normally required to request consent to change a method of accounting currently is waived for these revenue procedures. We have also waived the filing of a Form 3115 where appropriate, and will accept a statement in its place. The §481(a) adjustment required for changes in method of accounting may be taken into account in the year of change, at the election of the taxpayer, if the adjustment is less than \$25,000.

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

Consequences of less frequent collection on federal programs or policy activities would result in taxpayers not properly adopting or changing to a permitted method of accounting.

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 collections 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

IRS originally received OMB approval for Rev. Proc. 97-36, Rev. Proc. 97-37, Rev. Proc. 97-38, and Rev. Proc. 97-39 on July 30, 1997, under control number 1545-1551. The automatic method change revenue procedure has been revised under control number 1545-1551 as follows: on December 21, 1998, Rev. Proc. 97-37 was revised and reissued as Rev. Proc. 98-60; on December 27, 1999, Rev. Proc. 98-60 was revised

and reissued as Rev. Proc. 99-49; on January 8, 2002, Rev. Proc. 99-49 was revised and reissued as Rev. Proc. 2002-9; on August 5, 2008, Rev. Proc. 2002-9 was revised and reissued as Rev. Proc. 2008-52; on August 27, 2009, Rev. Proc. 2008-52 was amplified, clarified, and modified by Rev. Proc. 2009-39; on September 4, 2009, Rev. Proc. 2009-39 was modified by Announcement 2009-67 which reduced some burden calculations that were disclosed in the PRA analysis for Rev. Proc. 2009-39; on January 10, 2011, Rev. Proc. 2008-52 was revised as Rev. Proc. 2011-14; and on February 2, 2015, the APPENDIX of Rev. Proc. 2011-14 was revised and published as Rev. Proc. 2015-14.

In response to the *Federal Register* notice dated June 7, 2016 (81 FR 36654), we received no comments during the comment period regarding Rev. Proc. 2016-29.

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

Generally, tax returns and tax return information are confidential as required by 26 USC 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

The estimated burden for this collection

Rev. Proc. 2016-29 burden calculations:

Rev. Proc. 2011-14		14,130 respondents	15,359.69 hrs.
Rev. Proc. 2012-19		7,330 respondents	9,162.50 hrs.
Rev. Proc. 2012-20		1,600 respondents	1,200.00 hrs.
Rev. Proc. 2014-16		7,330 respondents	9,162.50 hrs.
Rev. Proc. 2014-17		1,600 respondents	1,200.00 hrs.
Rev. Proc. 2014-54		1,600 respondents	1,200.00 hrs.
Rev. Proc. 2015-14		338 respondents	209.00 hrs.
<u>Less*: moved to RP-137461-10</u>		<u>6,592.50 respondents</u>	<u>6,914.50 hrs.</u>
<u>Total Hrs.</u>		27,335.50 respondents Rounded to 27,336	30,579.19 hrs.  30,580 hrs.

\*This burden represents the burdens attributable to the procedural rules in Rev. Proc. 2011-14 and its earlier superseded revenue procedures that have been moved to RP-137461-10 (Rev. Proc. 2015-13), such that the PRA burden was moved to control number 1545-1541.

13. ESTIMATED TOTAL ANNUALIZED COST BURDEN TO RESPONDENTS

There are no capital/ start-up/ or ongoing operation/ maintenance costs associated with this information collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no estimated annualized cost to the federal Government.

15. REASONS FOR CHANGE IN BURDEN

Changes in the burden estimates are due to Rev. Proc-2016-29 (RP-135308-15) that updates Rev. Proc. 2015-14 that revises Rev. Proc. 2011-14, to include the burden estimates for rev. Proc. 2012-19, Rev.Proc.2012-20; Rev. Proc.2014-16; Rev. Proc. 2014-17; Rev. Proc. 2014-54 which increased the annual burden hours to 30580 hrs. and annual responses to 27336.

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 INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the revenue procedures sunset as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB number 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.