

SUPPORTING STATEMENT
Internal Revenue Service
Revenue Procedure 2017-4
Procedures for Determination Letters
OMB# 1545-1520

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) § 601.201(a)(1) provides that it is the practice of the Internal Revenue Service (IRS) to answer inquiries of individuals and organizations, whenever appropriate in the interest of sound tax administration, as to their status for tax purposes and as to the tax effects of their acts or transactions. Under this revenue procedure, taxpayers can request determination letters and letter rulings from the Commissioner, Tax Exempt and Government Entities, Employee Plans Office (“Employee Plans”) on how the tax laws apply to them. Employee Plans requires information from taxpayers in order to process these requests.

2. USE OF DATA

The information collected will be used by the IRS Employee Plans division to evaluate a taxpayer's request for a determination letter or a private letter ruling (including the requested deletions and limitation of retroactive effect, if any).

1. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing is not possible because determination letters are specific to the individual requester. 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.

2. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

3. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

In the employee plans area, administrative programs have been established whereby certain businesses can initially obtain the approval as to the form of a plan, e.g., a master or prototype plan. Those businesses will then market the form plan to other businesses. If utilized, these programs tend to lessen the

administrative costs associated with such plans to small businesses.

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

A less frequent collection will not enable the IRS to respond to inquiries for determination letters specifying tax treatment in accordance with IRC § 601.201(a)(1) and could result in being unable to meet its mission.

5. 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).

1. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

This revenue procedure is a combination and update of three revenue procedures (Revenue Procedure 2016-4, Revenue Procedure 2016-6, Revenue Procedure 2016-8 and Revenue Procedure 2011-05) that were previously issued under this control number. Comments on the proposed collection with respect to these revenue procedures was most recently requested in a Federal Register notice dated October 23, 2015 (80 FR 64505). We received no comments during the comment period in response to that notice.

2. 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 allowed to be disclosed under 26 U.S.C. 6104 or 26 U.S.C. 6110.

1. 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 Internal Revenue Service PIAs can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

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.

2. ESTIMATED BURDEN OF INFORMATION COLLECTION

The total burden for this submission is 18,151 hours with 8,733 responses.

Authority	Type of Request	Number of respondents	Responses per year	Number of Responses	Hours per response	Burden Hours
601.201(a)(1)	Letter Ruling	128	1	128	6.01	769
601.201(a)(1)	Determination letter	8,605	1	8,605	2.02	17,382
	Total			8,733		18,151

The number of respondents for Revenue Procedure 2017-4 has decreased by 8,839 (17,572 – 8,733 = 8,839) from the collection previously approved by OMB. This results in a net decrease of 27,636 burden hours (45,787 – 18,151 = 27,636).

The number of determination letter responses is an average based on estimated data from Employee Plans for both FT 2017 and FY 2018 receipts. Employee Plans estimates that it will receive 8,200 applications from individually designed plans in FY 2017 in the last year of the old program, and will receive only 3,320 such plans in FY 2018. In addition Employee Plans estimates that it will receive 130 pre-approved plans in FY 2017 and 5,560 pre-approved plans in FY 2018. Those applications will be processed and will generate a need for responses over a two or three-year period. In order to take into account the ongoing nature of applications processing, it is appropriate to average the responses.

3. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

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

4. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no estimated annualized cost to the federal government.

5. REASONS FOR CHANGE IN BURDEN

The paperwork burden that was previously approved has been reduced as a result of program changes that result in fewer applications being submitted by taxpayers. The reduction in the number of applications reduces the total number of responses even though the number of responses required per application and the average estimated number of hours per response have not changed. Since the paperwork burden is calculated on a per response basis, the reduction in the number of responses results in a lower burden. The number of respondents for Revenue Procedure 2017-4 has decreased by 8,839 from the collection previously approved by OMB. This results in a net decrease of 27,636 burden hours. The relevant program changes (essentially, all of the reductions), are due to cascading effects from other revenue procedures to include, Revenue Procedure 2016-47, permitting taxpayers to self-certify eligibility for a waiver of the 60-day rollover period for distributions from IRAs and qualified plans, and Revenue Procedure 2016-37, announcing a significant reduction in the determination letter program for individually designed plans.

Revenue Procedure	Requested	Program Change due to Agency Discretion	Change due to Adjustment in Agency Estimate	Previously Approved
Responses				
2016-4, 2016-6, 2016-8 & 2011-5		(17,572)		17,572
2017-4	8,733	8,733		
Reduction in Annual Number of Responses		(8,839)		
Burden Hours				
2016-4, 2016-6, 2016-8 & 2011-5		(45,787)		45,787
2017-4	18,151	18,151		
Reduction in Burden Hours		(27,636)		

6. 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 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.

1. 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.

OMB EXPIRATION DATE

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among

taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.