

SUPPORTING STATEMENT
Internal Revenue Service
T.D. 9289 - Treatment of Disregarded Entities Under Section 752
OMB No. 1545-1905

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This collection of information is necessary to allocate partnership liabilities among partners or persons related to partners properly. The final regulations under Internal Revenue § 752 for taking into account certain obligations of a business entity that is disregarded as separate from its owner under section 856(i) or section 1361(b)(3) of the Internal Revenue Code, or §§ 301.7701-1 through 301.7701-3 of the Procedure and Administration Regulations.

These final regulations clarify the existing regulations concerning when a partner may be treated as bearing the economic risk of loss for a partnership liability based upon an obligation of a disregarded entity. The rules affect partnerships and their partners.

2. USE OF DATA

The certification and recordkeeping requirements that sections 301.7701-1 through 301.7701-3 place on the partnerships and partners are used by the IRS to ensure proper allocation of partnership liabilities by the partnership. The information will be used by the partnership.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling. 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

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

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

There is no flexibility to reduce burden on small businesses or other small entities because the statutes apply to small businesses and small entities.

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

A less frequent collection of this information, would not enable the IRS to determine allocation of partnership liabilities among partners or persons related to partners properly.

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

A proposed rule was published in the Federal Register on August 12, 2004 (69 FR 49832). The final regulation was published on October 11, 2006 (71 FR 59669).

In response to the Federal Register notice dated March 1, 2017 (82 FR 12279), we received no comments during the comment period regarding TD 9289.

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.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Under section 1.752-2(k), general partnership interests owned through entities that are disregarded as separate from their owners for federal tax purposes must provide the partnership with the value of its assets, as set forth in the proposed regulation, on the occurrence of certain events. It is estimated that these requirements will affect 1,500 practitioners per year, with a burden of approximately 2 hours per respondent, for an annual burden of 3,000 hours.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
1.752-2(k)	Disregarded partnership allocation	1500	1	1500	2	3000
Totals		1500				3000

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

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

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There are no known annualized costs to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. 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 IS INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation 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 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.