

Supporting Statement
Internal Revenue Service
Late Filing of Certification or Notices
OMB # **1545-2098**

1. Circumstances Necessitating Collection of Information

As a means of assuring payment of taxes under section 897, section 1445(a) requires the transferee of a U.S. real property interest to withhold 10 percent of the amount realized by the foreign person on the disposition of the U.S. real property interest. Other provisions of section 1445 require withholding on certain distributions by certain entities.

Exceptions exist to withholding. For instance, withholding is generally not required if, due to the operation of a nonrecognition provision of the Internal Revenue Code, the transferor is not required to recognize gain or loss with respect to the transfer. An exception to withholding also exists if a foreign person transfers an interest in a domestic corporation which is not a U.S. real property interest. In order to qualify for these exceptions, parties to the transaction must provide statements or notices to the IRS within a certain time frame.

When these persons do not submit the statements/notices to the IRS in a timely manner, they may request relief under regulations section 301.9100. This Revenue Procedure 2008-27 provides an alternative, simplified method of requesting relief for certain untimely filings under section 897 and 1445. Under the Revenue Procedure, taxpayers may send the aforementioned statements and notices together with a statement explaining why the taxpayer's failure to timely file the statement or notice was due to reasonable cause.

2. Use of Data

The collection of information relates to the requirement that certain persons must submit a statement explaining why their failure to timely file a statement or notice was due to reasonable cause. This collection of information is necessary for IRS personnel to determine if relief should be granted for a taxpayer to correct the untimely filing.

3. Use of Improved Information Technology to Reduce Burden

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on a practicable basis in accordance with the IRS Reform and Restructuring Act of 1998. There is no plan to offer electronic filing for this collection due to the low volume of filers.

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 are no small entities affected by this collection.

6. Consequences of Less Frequent Collection on Federal Programs or Policy Activities

Taxpayer's may be eligible for relief for a late filing if a statement or notice was not provided to the relevant person or the IRS by the specified deadline and if there is reasonable cause for the failure to make a timely filing.

Failure to collect the information will prevent taxpayer's from seeking relief where reasonable cause may exist.

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 2008-27 was published in the Internal Revenue Bulletin on May 27, 2008 (2008-21 IRB 1014).

We received no comments during the comment period in response to the Federal Register notice dated March 22, 2017 (82 FR 14804).

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 sensitive personally identifiable information (PII) is collected.

12. Estimated Burden of Information Collection

The collection of information in this Revenue Procedure is in section 4.02. The collection of information relates to the taxpayer’s demonstration that it had reasonable cause for the failure to file certain notices or statements necessary to meet the exceptions to withholding. This collection of information is necessary because it provides the IRS with the required information to conclude that a taxpayer had, or did not have, reasonable cause for its failure to timely file the applicable statements or notices.

A statement demonstrating reasonable cause must be attached by the taxpayer to the statements or notices otherwise required to be filed. We estimate that on an annual basis approximately 250 taxpayers will utilize the procedures in this Revenue Procedure. We estimate that it will take approximately 4 hours to prepare the statement demonstrating reasonable cause.

OMB Collection	Authority	Description	Annual Responses	Hours per Response	Total Burden
IRS 1545-2098	IRC 1445(a)	RP. 2008-27	250	4 hrs.	1,000
	IRS TOTAL		250	4 hrs.	1,000

13. Estimated Total Annual Cost Burden to Respondents

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. Estimated Annualized Cost to the Federal Government

After consultation with various functions within the Service, we have determined that the cost to the federal government is negligible.

15. Reasons for Change in Burden

There is no change to 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 regulations sunset 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.

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 USC 6103.