

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**1545-1634**

**TD 9595 (REG-141399-07) Consolidated Overall Foreign Losses, Separate Limitation Losses, and Overall Domestic Losses**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

These regulations provide rules for the apportionment of a consolidated group's overall domestic loss (CODL), overall foreign loss (COFL) and separate limitation loss (CSLL) accounts to a departing member. The regulations allocate a portion of a CODL account to a departing member based on the member's share of the group's assets that generate U.S.-source income and allocate a portion of a COFL or CSLL account to a departing member based upon the member's share of the group's assets that generate foreign-source income subject to recapture, as set forth in section 904. For purposes of valuing these assets, the regulations provide that a group must use the same valuation method that the taxpayer elects for interest expense allocation. The group's determination of the value of the member's U.S. and foreign assets is binding on the member, unless the Commissioner concludes that the determination is not appropriate.

Treas. Reg. §1.1502-9(c)(2)(iv) provides that the common parent of the group must attach a statement to the return for the taxable year that the departing member ceases to be a member of the group that sets forth the name and taxpayer identification number of the departing member, the amount of each CODL, COFL or CSLL for each loss basket that is apportioned to the departing member, the method used to determine the value of the member's and the group's foreign assets in each such loss basket, and the value of the member's and the group's foreign assets in each such loss basket. The common parent must also furnish a copy of the statement to the departing member.

2. USE OF DATA

The information required by Internal Revenue Code § 904 and Treasury Regulation 1.1502-9 (c) (2)(iv) helps the Internal Revenue Service monitor compliance with the provisions of the regulations to ensure that taxpayers use consistent asset valuations in applying the regulations.

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. 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 is no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity.

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

A less frequent collection would prevent the Internal Revenue Service from being able to monitor compliance with the provisions of the regulations to ensure that taxpayers use consistent asset valuations in applying the regulations.

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 notice of proposed rulemaking was published in the **Federal Register** on December 29, 1998 (663 FR 71589). A public hearing was held on February 17, 1999. The final and temporary regulations were published in the **Federal Register** on August 11, 1999 (64 FR 43613) as TD 9371. Final and removal of temporary regulations were published as TD 9595 on June 22, 2012, at 77 FR 37576.

We received no comments during the comment period in response to the **Federal Register** notice dated May 15, 2017 (82 FR 22386).

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

No payments or gifts are being provided.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and 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

Treas. Reg. §1.1502-9(c)(2)(iv) provides that the common parent of the group must attach a statement to the return for the taxable year that the departing member ceases to be a member

of the group that sets forth certain information, as described in paragraph 1 above. We estimate that approximately 2,000 statements will be filed each year and that it will take approximately 1.50 hours to prepare these statements. The total time estimate for this requirement is 3,000 hours.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Treas. Reg. §1.1502-9(c)(2)(iv)	Attached Statement	2,000	1	2,000	1.5	3,000
Totals				2,000		3,000

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 COSTS TO THE FEDERAL GOVERNMENT

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.

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 is no plan 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

None.

Note: The following 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 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 section 6103 of the Code.