

Internal Revenue Service
SUPPORTING STATEMENT
OMB #1545-1522
Revenue Procedure 2017-52, 2017-1, 2017-3
Rulings and determination letters

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Revenue Procedure 2017-1 and 2017-3 explain how the Service provides advice to taxpayers on issues under the jurisdiction of the Associate Chief Counsel (Corporate), the Associate Chief Counsel (Financial Institutions and Products), the Associate Chief Counsel (Income Tax and Accounting), the Associate Chief Counsel (International), the Associate Chief Counsel (Passthrough and Special Industries), the Associate Chief Counsel (Procedure and Administration), and the Associate Chief Counsel (Tax Exempt and Government Entities). It explains the forms of advice and the manner in which advice is requested by taxpayers and provided by the Service. This information is required to evaluate and process the request for a letter ruling or determination letter.

Rev. Proc. 2017-52 (1) introduces a pilot program expanding the scope of letter rulings available from the Internal Revenue Service (Service) to include rulings on the tax consequences of a distribution of stock and securities of a controlled corporation under § 355 for a specified period of time (see section 6 of this revenue procedure), (2) provides procedures for taxpayers requesting these rulings, and (3) clarifies procedures for taxpayers requesting rulings on significant issues relating to these transactions.

The likely respondents are businesses or other for-profit institutions and tax exempt organizations.

2. USE OF DATA

The data will be used by the Service in determining whether certain letter rulings and determination letters should be issued. In addition, this information will be used to help the Service delete certain information from the text of the letter ruling or determination letter before it is made available for public inspection as required by § 6110.

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.

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**

The collections of information in this revenue procedure are initiated by the taxpayer's submission of a request to the Service for written advice regarding the proper application of tax laws, or principles or precedents announced by the Service, to the taxpayer's specific set of facts. The procedures in this revenue procedure are designed to require the collection of only the information necessary for the Service to respond to the taxpayer's request, and may vary with the complexity of the request. These procedures permit the taxpayer to request a pre-submission conference with the Associate office, at which the taxpayer and Associate office representative(s) may discuss substantive or procedural issues prior to the taxpayer's submission of the request. The procedures are also designed so that additional information will only be requested when the initial request lacks essential information.

Small businesses or other small entities may be eligible for reduced user fees when the gross income of the partnership or corporation, or the gross receipts of the exempt organization, falls below specified threshold amounts.

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

The collections of information in this revenue procedure permit the Service to collect information necessary to respond to taxpayer requests for written determinations regarding the proper application of the tax laws, as well as principles and precedents announced by the Service, to the taxpayer's specific set of facts. Decreases in the collection of this information would hinder the Service's ability to provide written advice to taxpayers through its private letter ruling and determination letter programs.

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**

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments.

Revenue Procedure 2016-1 was published January 4, 2016, *IRB 2016-1*.

Revenue Procedure 2017-1 was published January 3, 2017 *IRB 2017-1* and superseded Revenue Procedure 2016-1.

Revenue Procedure 2017-3 was published January 3, 2017 IRB 2017-1 and superseded Revenue Procedure 2016-1.

Revenue Procedure 2017-52 will modify and amplify Revenue Procedures 2017-1 and 2017-3.

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

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 Treas/IRS 24.046 BMF, and Treas/IRS 34.047 Audit trail and security records, The Internal Revenue Service PIAs can be found at <https://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.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collections of information in this revenue procedure are in section 3 and the Appendix. This information is required to determine whether a taxpayer would qualify for non-recognition treatment under this revenue procedure. The collections of information are required to obtain a benefit.

The likely respondents are corporations that control another corporation, as well as the management of the corporation the stock of which is being distributed or that controls the corporation the stock of which is being distributed.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Rev Proc 2017-52	Letter	30	1	30	200	6,000
Rev Proc 2017-1 and 2017-3	Letter	3,956	1	3,956	81	320,436
Totals						326,436

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

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

Revenue Procedure 2017-52 modifies and amplifies Revenue Procedures 2017-1 and 2017-3.

No current information collection requirements will be removed/deleted. Section 3 of 2017-52 will add new information collection requirements to 2017-1 and 2017-3. Section 4 of 2017-52 will update the current information collection requirements found in 2017-1 and 2017-3. These changes to 2017-01 and 2017-03 will increase the estimated average burden per respondent to 81 hours, resulting in an addition of 4,416 hours of burden across all respondents.

2017-52 is also expected to increase the estimated number of respondents and/or recordkeepers to **3,986** [increase of 30 from current number of 3,956]. This increase in respondents will add a further 6,000 hours of burden.

Overall, the estimated total annual reporting and/or recordkeeping burden will be **322,480** hours [increase of 10,416 hours from current number of 316,020].

The estimated number of respondents and/or recordkeepers has been updated to reflect the most recent data on the number of responses received.

26 CFR 601-201 was also removed as burden hours associated with partnerships are being reported under 1545-0123.

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 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.

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 U.S.C. 6103.