

SUPPORTING STATEMENT
Internal Revenue Service
Election Out of GST Deemed Allocations
OMB # 1545-1892

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

These regulations provide rules for taxpayers who elect to have the generation-skipping transfer tax (GST) deemed allocation rules contained in section 2632(c)(1) of the Internal Revenue Code not apply to the current transfer and/or to future transfers to the trust or to terminate such election. These regulations also provide rules for taxpayers who elect to treat trusts that are not subject to the GST deemed allocation rules, as GST trusts or to terminate such election.

The final regulation requires taxpayers, who make or terminate one of the two elections to attach a statement to a timely filed Form 709 (OMB# 1545-0020), for the calendar year in which the transfer was made. The statement must identify the trust (or separate share), describe the current transfer, and specifically provide that the transferor is making (or terminating) one of the elections.

2. USE OF DATA

The information collected will be used by the IRS to identify the trusts to which the election or termination of election will apply. The collection of information is required in order to have a valid election or termination of election. If there was no reporting requirement, the IRS would be unable to achieve its objectives.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing. The statements covered under this approval number are to be attached to Form 709 approved under 1545-0020. IRS publication, 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 are no small entities affected by this collection.

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

A less frequent collection of the information will prevent the IRS from making a determination of the compliance with the requirements outlined in section 2632(c)(1) of the Code and causing the IRS to be unable to meet its mission.

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 July 13, 2004 (69 FR 42000). The final regulation was published in the Federal Register on June 29, 2005 (70 FR 37258).

We received no comments during the comment period in the response to the Federal Register notice dated June 21, 2017 (82 FR 28380).

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

Sections 26.2632-1(b)(2)(ii) and 26.2632-1(b)(2)(iii) of the regulations provide a reporting requirement for taxpayers who elect to have the automatic allocation rules not apply to the current transfer and/or to future transfers to the trust or to terminate such election. Section 26.2632-1(b)(3) of the regulations provides a

reporting requirement for taxpayers who elect to treat trusts described in section 2632(c)(3)(B)(i) through (vi) as GST trusts or to terminate such election.

Taxpayers must attach a statement to a timely filed Form 709 for the calendar year in which the transfer was made. The statement must identify the trust (or separate share), describe the current transfer, and specifically provide that the transferor is making (or terminating) the election. This information will be used to identify the trusts to which the election or termination of election will apply. The collection of information is required in order to have a valid election or termination of election.

Section	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Annual Burden
26.2632-1(b)(2)(iii)	12,500	1	12,500	0.50	6,250
26.2632-1(b)(3)	12,500	1	12,500	0.50	6,250
TOTALS	25,000		25,000		12,500

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

There is no change in the burden previously reported to 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 U.S.C. 6103.