

SUPPORTING STATEMENT
Internal Revenue Service
Safe Harbor for Inadvertent Normalization Violations
Revenue Procedure 2017-47
OMB Control Number 1545-2276

CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This Revenue Procedure provides a safe harbor for inadvertent normalization violations to allow a taxpayer to change its Inconsistent Practice or Procedure (as defined in section 4.05 of this revenue procedure) to a Consistent Practice or Procedure (as defined in section 4.04 of this revenue procedure) at the Next Available Opportunity (as defined in section 4.06 of this revenue procedure) if the Taxpayer's Regulator (as defined in section 4.01 of this revenue procedure) adopts or approves the change that thoroughly reflects the total effect of the Inconsistent Practice or Procedure, provided:

- a) the taxpayer retains contemporaneous documentation that clearly demonstrates the effects of the Inconsistent Practice or Procedure and the change to a Consistent Practice or Procedure adopted or approved by the Taxpayer's Regulator; and
- b) in any tax year ending after the taxpayer has identified an Inconsistent Practice or Procedure, but in which the taxpayer has not changed to a Consistent Practice or Procedure, the taxpayer shall reflect the Inconsistent Practice or Procedure on the taxpayer's Form 1120 (Schedule UTP) and represent its intention to change to a Consistent Practice or Procedure at the Next Available Opportunity.

The collection of information is voluntary as taxpayers that do not use the safe harbor provided in this revenue procedure may instead request a letter ruling or technical advice memorandum that a taxpayer's proposed practice or procedure is consistent or inconsistent with the Normalization Rules. The likely recordkeepers are regulated utilities. The collection of information is in regulation §§ 50(d)(2) and 168(i)(9).

USE OF DATA

The contemporaneous documentation and statement on the taxpayer's Form 1120 (Schedule UTP) will be used to verify that the taxpayer has changed to a Consistent Practice or Procedure adopted or approved by the Taxpayer's Regulator as required by the Normalization Rules.

USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

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

EFFORTS TO IDENTIFY DUPLICATION

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

METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There is no burden on small businesses or other small entities 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**

The information required is needed to verify compliance with Section 50(d)(2) and 168(i)(9) of the Internal Revenue Code of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting 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**

In response to the Federal Register notice dated November 15, 2017 (82 FR 52968), we received no comments during the comment period regarding these regulations.

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**

The contemporaneous documentation and reflection of this write in information on the taxpayer's Form 1120 (Schedule UTP) does not contain sensitive information. The Form 1120

Schedule UTP collection of information is covered under 1545-0123. This information is required to be publicly disclosed in regulatory proceedings with the Federal Energy Regulatory Agency.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The estimated number of recordkeepers is 150. The estimated annual burden per recordkeeper depends on individual circumstances, with an estimated average of 12 hours. Estimated total annual recordkeeping burden is 1,800 hours.

Reporting burden is being reported under the OMB control number 1545-0123 for Form 1120 (Schedule UTP).

Proposed Regulation and Revenue Procedure	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
§§ 50(d)(2) and 168(i)(9) Collection of information found in sections 3 and 5 of Revenue Procedure 2017-47	Safe Harbor for Inadvertent Normalization Violations -	150	1	150	12	1,800
		150	1	150	12	1,800

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 paperwork burden previously approved by OMB.

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.

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.