

1 SUPPORTING STATEMENT
Internal Revenue Service
Revenue Procedure 2004-47

Simplified Alternate Procedure for Making Late Reverse QTIP Election
OMB No. 1545-1898

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This revenue procedure provides a simplified alternate method for certain executors of estates and trustees of trusts to request relief to make a late reverse qualified terminable interest property (QTIP) election under § 2652 of the Internal Revenue Code. This alternate method may be used in lieu of the normal letter ruling process and describes documentation and information that a taxpayer must provide to the Service upon request to file a late reverse QTIP election without first receiving a private letter ruling from the National Office of the Internal Revenue Service. The documentation required must be to the satisfaction of the Commissioner in order to receive an extension of time.

2. USE OF DATA

The information is to be used by revenue agents in determining if the taxpayer has established that not making the reverse QTIP election on the first estate tax return was an error or oversight instead of an intentional omission.

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. We have no plans to offer electronic record keeping because this is record keeping requirements.

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 collection of information requirement will not have a significant economic impact on a substantial number of small entities. This collection relates to Estates and Trusts.

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

A less frequent collection would not allow the IRS to determine if the taxpayer has established that not making the reverse QTIP election on the first estate tax return was an

error or oversight instead of an intentional omission and thereby would hinder the IRS from meeting its mission.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1230.5(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

1We received no comments during the comment period in response to the **Federal Register** Notice dated June 2, 2020 (85 FR 33792).

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 “Estate/Inheritance and Gift Non-filer and Under-reporter” and “Enforcement Revenue Information System (ERIS)” systems and Privacy Act System of Records notices (SORN) have been issued for these systems under IRS 42.021- Compliance Programs and Project Files; IRS 24.030--Customer Account Data Engine Individual Master File, and IRS 24.046--Customer Account Data Engine Business Master File. The Internal Revenue Service PIAs can be found at <http://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 collection of information provisions are in section 4 of this revenue procedure, under which taxpayers may prepare and make available to the Commissioner upon request the

documents and other information described therein in order to assist the Commissioner to make a determination regarding whether a taxpayer’s failure to make a timely reverse QTIP election was intentional or as the result of a mistake. The likely respondents are estates and trusts. The total estimated annual reporting burden is 54 hours. The estimated annual burden per respondent is an estimated average 9 hours in the year of the request. The estimated number of respondents is 6 per year. This burden, however, in most cases will replace the necessity of preparing a detailed private letter ruling request. Overall, if a taxpayer utilizes the simplified method provided for in the revenue procedure instead of submitting a private letter ruling request, they will reduce their burden in terms of hours spent compiling information and preparing the submission.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC § 2652	QTIP election record	6	1	6	9	54
Totals		6		6		54

The following regulations impose no additional burden. Please continue to assign OMB number 1545-1898 to these regulations:

- 26.2632
- 20.2056
- 20.2652

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. 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 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.

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.

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.