[1]SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Rev. Proc. 2003-84, Optional Election to Make Monthly Sec. 706(A) Computations
OMB # 1545-1768

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) Section 702 provides guidance regarding how partners will assess income and credits to determine each partners income tax.

IRC Section 707(c) defines guaranteed payments, as payments made by a partnership to a partner for services or for the use of capital shall be considered as made to one who is not a member of the partnership.

Rev. Proc. 2003-84 allows certain partnerships that invest in tax-exempt obligations to make an election that enables the partners to take into account monthly the inclusions required under §§ 702 and 707(c) of the Internal Revenue Code and provides rules for partnership income tax reporting under § 6031 for such partnerships. While this is a monthly election, partnerships only need to submit once a year.

2. USE OF DATA

The information contained in these regulations are used to determine the requirements with respect to use the election statement as evidence that the taxpayer will close its books with respect to money market fund partners that consent to the election.

The IRS will use the consent statement as evidence that a partner consents to the election made by the partnership. Per Rev. Proc. 2003-84, the IRS receives this consent statement when an eligible partnership provides a copy of their governing documents that includes: a.) the effective dates of section 5.02 and b.) all partners consent to the election.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The IRS has no plans to offer electronic enabling because this collection is a notification of the rules for how partners will assess income and credits to determine each partners income tax.

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 IRS proactively works with both internal and external stakeholders to minimize the burden on small businesses, while maintaining tax compliance. The Agency also seeks input regarding the burden estimates from the public via notices and tax product instructions. The Agency will continue to as applicable find ways to reduce the burden on small businesses or other small entities.

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

Consequences of less frequent collection on the consent statement as evidence that a partner consents to the election made by the partnership will hinder the IRS from using the election statement as evidence that the taxpayer will close its books with respect to money market fund partners that consent to the election 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 April 2, 2024 (89 FR 22776), IRS received no comments during the comment period regarding this revenue procedure.

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 24.046-Customer Account Data Engine Business Master File. 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 collection of information is in sections 5 and 6 of this revenue procedure. This information is required to inform the IRS which partners and partnerships are making the designated election and to report income appropriately. The estimated total annual reporting and recordkeeping burden is 500 hours. The estimated annual burden per respondent/recordkeeper is 1/2 hour. The estimated number of respondents and recordkeepers is 1,000.

Burden associated with specific elections are identified on the attached burden table and the total burden identified is:

Authority	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
IRC § 702	1,000	1	1,000	.50	500

The following regulations impose no additional burden. Please continue to assign OMB number 1545-1768 to this regulation:

1.761-2(a)(1)-(2)

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. IRS is 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

IRS believes 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 IRS 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 for this collection.

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.