

SUPPORTING STATEMENT
Internal Revenue Service
Rulings and determination letters
OMB # 1545-1522

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

26 USC 7805 explains that except where such authority is expressly given under this title to any person other than an officer or employee of the Treasury Department, the Secretary shall prescribe all needful rules and regulations for the enforcement of this title, including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue. As outlined under 26 CFR 601.201, it is the practice of the Internal Revenue Service to answer inquiries of individuals and organizations, whenever appropriate in the interest of sound tax administration, as to their status for tax purposes and as to the tax effects of their acts or transactions.

This revenue procedure explains how the Service provides advice to taxpayers on issues under the jurisdiction of the Associate Chief Counsel (Corporate), the Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes), 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 (Passthroughs and Special Industries), and the Associate Chief Counsel (Procedure and Administration). It explains the forms of advice and the way advice is requested by taxpayers and provided by the Service.

Rev. Proc. 2025-1 contains revised procedures for letter rulings and information letters issued by the Associate Chief Counsel (Corporate), Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes), Associate Chief Counsel (Financial Institutions and Products), Associate Chief Counsel (Income Tax and Accounting), Associate Chief Counsel (International), Associate Chief Counsel (Passthroughs and Special Industries), and Associate Chief Counsel (Procedure and Administration). This procedure also contains procedures for determination letters issued by the Large Business and International Division, Small Business/Self Employed Division, Wage and Investment Division, and Tax Exempt and Government Entities Division. Rev. Proc. 2024-1 is superseded.

Rev. Proc. 2023-26 describes a program that provides an opportunity for fast-track processing of certain requests for letter rulings solely or primarily under the jurisdiction of the Associate Chief Counsel (Corporate). This new program replaces the pilot program established by Rev. Proc. 2022-10, 2022-6 I.R.B. 473.

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

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.

A request for a letter ruling or determination letter submitted electronically must include an image of a signature (scanned or photographed) or a digital signature (scanned or photographed) or a digital signature that uses encryption techniques to provide proof of original and unmodified documentation.

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 on these procedures.

A Federal Register Notice (89 FR 97171) was published regarding these Revenue Procedures on December 6, 2024, inviting public comments. No comments were received.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

There are no special circumstances requiring payment or gift to be provided to any respondent(s).

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 sections 5.06, 6.03, 7.01, 7.02, 7.03, 7.04, 7.05, 7.07, 7.08, 8.02, 8.05, 8.07, 10.01, 10.06, 10.07, 11.11, 13.02, 15.02, 15.07, 15.08, 15.09, 15.11, paragraph (B)(1) of Appendix A, Appendix C, Appendix D, Appendix E, and Appendix F (subject matter—rate orders; regulatory agency; normalization). This information is required to evaluate and process the request for a letter ruling or determination letter. 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. The collections of information are required to obtain a letter ruling or determination letter. The likely respondents are businesses or other for-profit institutions and tax-exempt organizations.

The estimated total annual reporting and/or recordkeeping burden is 316,020 hours.

The estimated annual burden per respondent/recordkeeper varies from 1 to 200 hours, depending on individual circumstances, with an estimated average burden of 80 hours. The estimated number of respondents and/or recordkeepers is 3,956.

The collections of information in Revenue Procedure 2023-26 are in section 5. The estimated number of respondents and/or recordkeepers is 10. The estimated annual burden per respondent/recordkeeper varies from 3 to 10 hours, depending on individual circumstances, with an estimated average burden of 8 hours. The increase in the estimated average annual burden for Rev. Proc. 2025-1 from this revenue procedure is 80 hours.

OMB Collection	Authority	Form	Annual Responses	Hours per Response	Total Burden
IRS 1545-1522	26 CFR 601.201	RP 2025-1	3,956	79.88	316,020
	26 CFR 601.201	RP 2023-26	10	8	80
	IRS TOTAL		3,966		316,100

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is a user fee associated with requesting rulings and determination letters outlined in Rev. Proc. 2025-1. The fee ranges from \$0 to \$181,500. The Secretary of the Treasury (Secretary) is to provide for exemptions and reduced fees under the program as the Secretary determines to be appropriate, but the average fee applicable to each category or subcategory must not be less than the amount specified in IRC § 7528(b)(3).

Category	Average Fee
Employee plan ruling and opinion	\$250

Exempt organization ruling	\$350
Employee plan determination	\$300
Exempt organization determination	\$275
Chief counsel ruling	\$200

The IRS calculates the minimum average fee as \$275 and a total possible cost to respondents of \$1,090,650 (3,966 responses x \$275).

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The user fees associated with this collection are based on the average costs for the IRS to provide rulings and determination letters. The estimated annualized average government cost is \$1,090,650.

15. REASONS FOR CHANGE IN BURDEN

There are no changes in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

ICR Summary of Burden:

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	3,966	0	0	0	0	3,966
Annual Time Burden (hrs.)	316,100	0	0	0	0	316,100

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 Service intends to request renewal of 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.

