

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Revenue Procedure 99-17, Mark to Market Election for Commodities Dealers and Securities and
Commodities Traders
OMB Control Number 1545-1641

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Revenue Procedure 99-17

Generally, a taxpayer must obtain the consent of the Commissioner to change a method of accounting for federal income tax purposes. To obtain this consent, a Form 3115, Application for Change in Accounting Method, must be filed during the taxable year in which the taxpayer desires to make the change in method of accounting. The Commissioner, however, is authorized to prescribe administrative procedures setting forth the limitations, terms, and conditions the Commissioner deems necessary to obtain consent.

This revenue procedure provides the exclusive procedure for dealers in commodities and traders in securities or commodities to make an election to use the mark-to-market method of accounting under Internal Revenue Code (IRC) sections 475(e) or (f).

The legislative history to IRC sections 475(e) and (f) states that the mark-to-market election will be made in the time and manner prescribed by the Secretary and will be effective for the taxable year for which it is made and all subsequent taxable years, unless revoked with the consent of the Secretary.

Revenue Procedure 2019-43

Section 24 of Rev. Proc. 2019-43, 2019-48 I.R.B. 1107, provides automatic consent procedures for making elections under Rev. Proc. 99-17 or revoking the mark-to-market method of accounting under IRC section 475.

A taxpayer complying with all the applicable provisions of this revenue procedure has obtained the consent of the Commissioner to change its method of accounting under IRC section 446(e) and the Income Tax Regulations thereunder.

2. USE OF DATA

A taxpayer makes an election by attaching a statement to an original federal income tax return for the election year that describes the election being made, the first taxable year for which the election is effective, and, in the case of an election under IRC sections 475(e) or (f), the trade or business for which the election is made. This revenue procedure applies to commodities dealers, securities traders, and commodities traders that want to make an election to use the mark-to-market method of accounting under IRC sections 475(e) or (f).

This information is required by the IRS in order to facilitate monitoring taxpayers changing accounting methods resulting from making the elections under IRC sections 475(e) or (f). This information will be used if a taxpayer making the change is audited.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The required statement can be electronically attached to e-filed tax returns.

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.

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

A less frequent collection will not allow the IRS to facilitate monitoring taxpayers changing accounting methods resulting from making the elections under IRC sections 475(e) or (f). This information will be used if a taxpayer making the change is audited.

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.

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 January 17, 2025, (90 FR 6098), we received one public comment from Ivins, Phillips & Barker. The full comments will be included within submission to the Office of Management and Budget (OMB). The summary of the comments and the IRS responses are below:

**Ivins, Phillips & Barker Comments dated April 1, 2025.
Revenue Procedure 99-17**

Summary of public comment	IRS response
Amend Rev. Proc. 99-17 to provide a 2 ½	The IRS declines to implement this suggestion

<p>month window for certain existing taxpayers that, for the first time, qualify to make an election under Rev. Proc. 99-17 to use the mark-to-market method of accounting for certain securities or commodities. The proposed 2 ½ month window for these taxpayers to make their election would start on the first day of the month in which the taxpayer first enters into any type of transaction to which a mark-to-market election could apply.</p>	<p>at this time. However, the IRS will consider this comment in connection with the 2024-2025 Priority Guidance Plan project relating to mark-to-market accounting under Section 475 of the Internal Revenue Code.</p>
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9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift will be provided to respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No sensitive personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

It is estimated that 1,000 businesses or other for-profit institutions will provide an election under sections 5.01 through 5.04 of the revenue procedure, with an estimated, one-time burden per respondent estimated of 30 minutes, for a total burden of 500 hours.

The burden associated with Forms 3115, 1120X, and 1040X are approved under OMB control number 1545-0074 for individual filers and 1545-0123 for business filers.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden Hours
IRC §§ 475(e) and (f)	Rev. Proc 99-17	1,000	1	1,000	.5	500
Totals		1,000		1,000		500

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no annualized costs to the respondents beyond providing information and keeping records as part of customary and usual business or private practices.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There are no annualized costs to the Federal government outside of regular agency activities such as taxpayer assistance and enforcement.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. The 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 IN APPROPRIATE

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that this revenue procedure expires 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 at this time.