

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Revenue Procedure 2003-38
Commercial Revitalization Deduction
OMB Control Number 1545-1818

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Revenue Procedure 2003-38 provides the time and manner for states to make allocations under § 1400I of the Internal Revenue Code (IRC) of commercial revitalization expenditures to a new or substantially rehabilitated building that is placed in service by a taxpayer in a renewal community. Once the taxpayer has received this allocation, the taxpayer may elect to deduct the commercial revitalization expenditures over a more accelerated method than is otherwise allowable under the depreciation provisions of the Code (hereinafter, this deduction is referred to as the “commercial revitalization expenditure deduction”).

The collections of information are third-party disclosure requirements listed in Sections 4.02, 5, and 6.02 of the Revenue Procedure 2003-38.

2. USE OF DATA

The information will be used by the Internal Revenue Service (IRS) revenue agents to determine if the taxpayer is entitled to claim the commercial revitalization expenditure deduction.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate as these are third-party disclosure requirements.

4. EFFORTS TO IDENTIFY DUPLICATION

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

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There are no small entities affected by this collection because under § 1400I(d), the commercial revitalization agency for each state is permitted to allocate up to \$ 12 million of commercial revitalization expenditure amounts with respect to each renewal community located within the state for each calendar year after 2001 and before 2010. Pursuant to § 1400I(e), the allocation must be made pursuant to a qualified allocation plan (as defined in § 1400I(e)(2)) that is approved by the governmental unit of which the commercial revitalization agency is a part. Further, the commercial revitalization agency must notify the chief executive officer (or its equivalent) of the local jurisdiction in which the qualified revitalization building is located of the allocation and provide that individual a reasonable opportunity to comment on the allocation. The term "commercial revitalization agency" is defined in § 1400I(d)(3) as any agency authorized by a state to carry out § 1400I. Neither the original nor a copy of the qualified allocation plan is to be sent to the Internal Revenue Service.

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

The information required is needed to verify compliance with the Internal Revenue Code section 1400I 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 June 25, 2025 (90 FR 27068), we received no comments during the comment period regarding Revenue Procedure 2003-38.

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 U.S.C. 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)" and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 - Electronic Filing Records; IRS 24.030 - Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's 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 collections of information are in Sections 4.02, 5, and 6.02 of this revenue procedure. Taxpayers are required to obtain from a state an allocation of commercial revitalization expenditures in order to claim the commercial revitalization expenditure deduction. The information will be used to verify that a taxpayer is entitled to claim the commercial revitalization expenditure deduction. The estimated total annual reporting burden is 200 hours. The estimated

annual burden per respondent varies from 1 to 4 hours, depending on individual circumstances, with an estimated average of 2.5 hours. The estimated number of respondents and is 80.

Rev. Proc.	Description	# Respondents	# Responses Per Respondent-Approximate	Total Annual Responses	Hours Per Response	Total Burden
2003-38	Commercial Revitalization Deduction	80	1	80	2.5 hours	200
TOTAL		80		80		200

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

From our Federal Register notice dated June 25, 2025, no public comments were received on the estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. As a result, estimates of these cost burdens are considered nominal.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no cost to the Federal government as the Revenue Procedure contains third-party disclosure requirements, that are not directly reported to the IRS.

15. REASONS FOR CHANGE IN BURDEN

There have been no changes 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

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the information collection 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.