

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**(Revenue Procedures 2008-40, -38, -39, -41, -42)**  
**Internal Revenue Code provisions related to Life Insurance and closing agreements**

**6240. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Revenue Procedure (RP) 2008-40 allows issuers of life insurance contracts have failed to meet the definition of life insurance contract under section 7702 or to satisfy the requirements of section 101(f) of the Internal Revenue Code to cure these contracts so that they do not fail Internal Revenue Code section 7702 or section 101(f). RP 2008-38 allows issuers of variable contracts have failed to meet the diversification requirements of section 817(h) of the Internal Revenue Code to cure these contracts so that they do not fail section 817(h). RP 2008-39 allows issuers of life insurance contracts whose contracts have failed to meet the tests of section 7702A of the Internal Revenue Code to cure these contracts that have inadvertently become modified endowment contracts. RP 2008-41 allows issuers of variable contracts have failed to meet the diversification requirements of section 817(h) of the Internal Revenue Code to cure these contracts so that they do not fail section 817(h). RP 2008-42 provides guidance as to how issuers of life insurance contracts may automatically obtain a waiver under section 7702(f)(8) or section 101(f)(3)(H) of the Internal Revenue Code to remedy certain life insurance contracts for certain reasonable errors that caused a contract to fail to satisfy the requirements of section 7702 or section 101(f).

**6241. USE OF DATA**

The data will be used to determine whether a taxpayer may enter into a closing agreement under this revenue procedure.

**6242. 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 at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling.

**6243. EFFORTS TO IDENTIFY DUPLICATION**

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

**6244. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER**

## **SMALL ENTITIES**

There are no small businesses or other small entities

### **6245. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

The collection of information in these revenue procedures permit the Service to collect information necessary to respond to taxpayer requests for closing agreements involving certain Internal Revenue Code provisions. Decreases in the collection of this information would hinder the Service's ability resolve certain noncompliance by taxpayers through its closing agreement programs and prevent the IRS from meeting its mission.

### **6246. 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).

### **6247. 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 7, 2017 (82 FR 17090)**, we received no comments during the comment period regarding these revenue procedures.

### **6248. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

No payment of gift has been provided to respondents.

### **6249. ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

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

### **6250. JUSTIFICATION OF SENSITIVE QUESTIONS**

No personally identifiable information is collected.

### **6251. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
RP 2008-40	Section 5 Closing agreement	10	1	10	85	850
RP 2008-38	Section 4 submit information	10	1	10	85	850
RP 2008-39	Section 5 submit information	10	1	10	85	850
RP 2008-41	Section 4 submit information	10	1	10	85	850
RP 2008-42	Section 4 submit information	30	1	30	85	2550
Totals				70		5950

RP 2008-40:

Section 5 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 5.

We estimate that 10 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-38:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 10 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-39:

Section 5 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the

certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 5.

We estimate that 10 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-41:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 10 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 850 hours annually.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

RP 2008-42:

Section 4 of the Revenue Procedure provides that an issuer that requests a closing agreement must submitted certain information to the Service as well as retaining the certain information that is used to compute the required charge that is paid to the United State Treasury. In addition, an issuer must retain documentation available to support the representations required in Section 4.

We estimate that 30 respondents will be required to comply with the above allocation and disclosure requirements. The estimated burden per respondent for recordkeeping/disclosure is 80 to 90 hours with the average burden of 85 hours, for a total estimated burden of 2550 hours annually.

**6252. 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.

**6253. 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 are no changes in burden previously reported to 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 regulation 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.

**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.