

Financial Services - Insurance Tax Bulletin

April 12, 2012

ITB 12-16

IRS seeks comments on collection requirements related to the application of section 338 to insurance businesses

On April 6, 2012, the IRS announced in the Federal Register that it is soliciting comments concerning collection requirements related to the application of § 338 to insurance companies as addressed in final Regs (T.D. 9377). The relevant regulations address determining the adjusted basis of amortizable § 197 intangibles for insurance contracts, increases in reserves after a deemed asset sale, and the effect of a § 338 election to use a company's historical loss payment pattern.

Specifically, comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Written comments should be received by the IRS on or before June 5, 2012, and will become a matter of public record.

***For further information**, please feel free to contact Anthony DiGilio at (703) 918-4812 or contact your local insurance tax professional. Please visit us at: <http://www.pwc.com/us/insurance/tax>*

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