

**SUPPORTING STATEMENT  
(Form 5306)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Banks and insurance companies may establish prototype individual retirement arrangement account trusts or annuity contracts. Employers may establish individual retirement account trusts for the use of their employees. In order to ensure that these trusts or annuity contracts meet the requirements under IRC section 408(a), 408(b), or 408(c), these persons may request an approval letter from IRS.

**2. USE OF DATA**

The data supplied on Form 5306 is used to determine if the individual retirement account trust or annuity contract meets the requirements of the Code so that IRS may issue an approval letter.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

Low filing volume does not justify the cost of electronic enabling.

**4. EFFORTS TO IDENTIFY DUPLICATION**

We have attempted to eliminate duplication within the agency wherever possible.

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

Not applicable.

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

Not applicable.

**7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

Not applicable.

**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 regarding Form 5306.

In response to the **Federal Register Notice** dated June 27, 2006 (F.R. 36608), we received no comments during the comment period regarding Form 5306.

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

Not applicable.

**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**

Not applicable.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

<u>Form</u>	<u>No.of</u>	<u>Time per Responses</u>	<u>Response</u>
		<u>Total hours</u>	
Form 5306			

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

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-0390 to these regulations:

Reporting Regulation

1.408-6(a)&(d)

Recordkeeping Regulations

1.408-2(c)(3)&(4)

1.408-2(b)(2)(ii)

1.408-2(c)(2)

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

As suggested by OMB, our **Federal Register Notice** dated June 27, 2006, requested public comments on 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. However, we did not receive any responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The primary cost to the government consists of the cost of printing the form. We estimate the cost of printing the form is \$383.

**15. REASONS FOR CHANGE IN BURDEN**

There are no changes being made to Form 5306. We are making this submission to renew to OMB approval. We are making this submission for renewal purposes.

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

Not applicable.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

See attachment.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I**

Not applicable.

**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.