

SUPPORTING STATEMENT REG-11664-01

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 170 of the Internal Revenue Code (“Code”) permits tax deductions, within limits, for charitable contributions by individuals and corporations. Section 170 further provides that such deductions are allowable only if the charitable contributions are verified under regulations prescribed by the Secretary of the Treasury.

Section 1.170A-11(b)(1) of the income tax regulations states that under certain conditions, corporations may treat a charitable contribution as paid during a taxable year even if it actually occurs in the following taxable year. To claim this “accelerated” deduction for a given year, a corporation must certify (via a statement attached to its tax return) that the board of directors approved the contribution in that year. The temporary and proposed regulations slightly expand the content of the statement by requiring that it specify the date on which the board of directors authorized the contribution.

The overall purpose of the temporary and proposed regulations is to eliminate impediments to electronic filing of certain business tax returns and other forms.

2. USE OF DATA

The collection of information is necessary in order for the Internal Revenue Service to administer the tax system properly and to help ensure compliance with the laws and regulations.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are offering electronic filing. The temporary and proposed regulations facilitate the electronic filing of tax returns and other forms. Accordingly, the regulations are designed to reduce the burdens associated with filing of paper forms. We plan to allow taxpayers to file electronically the statement described in paragraph one, as well as the income tax return with which that statement must be submitted.

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

The collection of this information will not have a significant impact on small businesses or other small entities.

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

The notice of proposed rulemaking (68 FR 70747) was published simultaneously with temporary regulations (68 FR 70701) on December 19, 2003.

In response to the Federal Register Notice dated November 28, 2006 (71 F. R. 68898), we received no comments during the comment period regarding Reg-116664-01.

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

26 C.F.R. § 1.170A-11T(b)(2) provides that documentation which certain corporations had to submit with their Federal income tax returns shall now be retained in the tax records of such corporations. Specifically, current regulations require that when a corporation claims the “accelerated” tax deduction described above for charitable contributions, it must attach to its tax return a copy of the board of directors’ resolution authorizing the contribution. The temporary and proposed regulations eliminate this obligation, provided the corporation properly retains the resolution in its records.

The proposed and temporary regulations further provide that the supporting statement described in paragraph one above must identify the date on which the board of directors approved the relevant contribution. We estimate that approximately 1,000,000 respondents will provide this statement. The estimated annual burden for each taxpayer with respect to collecting and reporting this information on board of directors approval is 15 minutes. The total reporting burden is 250,000 hours.

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated November 17, 2006, requested public comments on estimates of cost 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 response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

There is no change 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

Not applicable.

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 regulations sunset 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 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.