

**SUPPORTING STATEMENT**  
(Form 6497)

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 6050D of the Internal Revenue Code requires an information return to be made by any person who administers a Federal, state, or local program providing nontaxable grants or subsidized energy financing. The program must have as a principle purpose the conservation or production of energy. The regulations under section 6050D require that Form 6497 be used for making the information returns. The form requires information about the payer, program, and recipient. The legislation (the Crude Oil Windfall Profit Tax Act of 1980), which established section 6050D prohibits tax credits or other tax benefits with respect to the grant or financing. It was established to prevent "double dipping" (for example, receiving a nontaxable grant-one tax benefit, and getting a tax credit when the grant is used (such as for purchasing property eligible for the business energy investment credit)---a second tax benefit).

**2. USE OF DATA**

Form 6497 is used to ensure that no "double dipping" is taking place by the recipient of these grants or subsidized energy financing.

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

We have no plans to offer electronic filing because of low filing volume compared to 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 6497.

In response to the **Federal Register Notice** dated **March 7, 2007** (72 FR 10298), we received no comments during the comment period regarding Form 6497.

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 Total hours</u>	<u>Response</u>
Form 6497	250		3.14 810

Estimates of 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 1545-0232 to this regulation.

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

As suggested by OMB, our **Federal Register Notice** dated **March 7, 2007** (72 FR 10298), 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**

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for Form 6497 is \$50,999.

**15. REASONS FOR CHANGE IN BURDEN**

There are no changes being made to Form 6497 at this time. 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.