

## **SUPPORTING STATEMENT (Publication 3319)**

### **1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Public Law 105-206, Sec. 7526 Low-Income Taxpayer Clinics (See Attachment A) authorizes the Secretary to make grants to provide matching funds for the development, expansion, or continuation of qualified low-income taxpayer clinics. In order to award these grants, the IRS must objectively assess grantee applications. The application packets utilize the Standard Form 424 as required by the Office of Management and Budget. In addition, the packet requires supplemental information to allow reviewers to evaluate the applications accurately and objectively.

### **2. USE OF DATA**

The IRS and the review panel will use this data to evaluate and award grants for the Low-Income Taxpayer Clinics.

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

We have no plans at this time to offer electronic filing because of the low volume compared to 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**

We have made every effort to minimize the burden on small entities, by utilizing Standard Form 424 and streamlining the application packet. Small businesses are not eligible for this grant program; therefore no burden is placed on them.

### **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**

In response to the **Federal Register Notice** dated **April 23, 2008 (73 FR 22016)**, we received no comments during the comment period regarding Publication 3319.

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

Not applicable.

**10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

The grant applications and subsequent records are available to the general public under the Freedom of Information Act (FOIA) of 1966.

**11. JUSTIFICATION OF SENSITIVE QUESTIONS**

Not applicable.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Applicants are required to provide detailed background information as specified in the application package. In addition, they must include a detailed narrative describing their overall plans to implement the Low Income Taxpayer Clinic (LITC) Program including, an explanation of their internal procedures for monitoring and evaluating of clinic activities, description of accounting procedures, description of plans for audits and controls, and plans for program publicity. Also, the grantees must report statistical information regarding the number of taxpayers represented, types of tax issues in controversy, number of

taxpayers referred to a qualified representative and the number of taxpayers provided information regarding their tax rights and responsibilities. In addition, grantees must submit a final narrative report, which includes identification of the source, date, availability and amount of grant matching funds, description of the overall approach taken in implementing the LITC program, training provided for students, etc. We estimate that 75 sponsors will be affected by the above requirements and they will spend 60 hours each, for a total burden of 4,500 hours.

The students and other participants must maintain a written record of the number of taxpayers represented, the type of tax issues in controversy, the number of taxpayers referred to a qualified representative, etc. and this information must be reported quarterly to a local IRS representative. We estimate that a total of 750 students will maintain these records and they will spend 2 hours each, for a total burden of 1,500 hours.

The total burden is estimated to be 6,000 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 **April 23, 2008 (73 FR 22016)**, 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 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**

We estimate the total annualized cost to the Federal government to be \$5,000, which includes printing and other administrative costs.

### **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 are requesting approval to not display the OMB expiration date because program sponsors may think that the program itself expires on that date. They are not likely to be aware that we have requested an extension of the expiration date.

**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.