

## **SUPPORTING STATEMENT**

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

This information is being requested from issuers of tax-exempt bonds who issue bonds subject to the new volume cap or utilize proceeds of mortgage revenue bonds to refinance certain qualified subprime mortgage loans, as provided in the Housing Assistance Tax Act of 2008, enacted July 30, 2008 ("2008 Housing Act"). We are asking issuers to report bonds issued pursuant to the new volume cap on existing form 8038 that is already required to be filed in connection with bond issues, and issuers of mortgage revenue bonds to attach a schedule to the 8038 providing a reasonable estimate of the total expected principal amount that will be utilized to refinance qualified subprime mortgage loans. We are asking issuers to file a second copy of an existing IRS Form 8328 in order to make the election to carry forward additional volume cap provided under the 2008 Housing Act that remains unused at the end of calendar year 2008.

The information required to be reported with respect to bond issues on IRS form 8038 is mandated by section 149(e) of the Internal Revenue Code. The filing of IRS form 8328 is the manner in which issuers make the election to carry forward unused volume ceiling pursuant to section 146(f) of the Internal Revenue Code.

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

The information that is collected will be used to provide an estimate of whether and to what extent issuers of tax-exempt bonds issue bonds pursuant to the new volume cap provided in the 2008 Housing Act, carry forward unused volume cap provided at the end of calendar year 2008 and utilize tax-exempt mortgage revenue bond proceeds to refinance qualified subprime mortgage loans.

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

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission.

### **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

We received no comments during the comment period in response to the Federal Register notice dated January 23, 2009 (74 FR 4303).

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

The Notice requests issuers of tax-exempt bonds subject to the new volume cap provided by the 2008 Housing Act to report the issuance on a particular line on existing IRS Form 8038, and issuers of tax-exempt mortgage revenue bonds

who expect to use proceeds to refinance qualified subprime loans to report the reasonably expected principal amount of bonds that will be used for that purpose. The Notice also requests issuers of tax-exempt bonds to file an IRS Form 8328 to carry forward the amount of new volume cap that is unused at the end of calendar year 2008.

We estimate the total number of respondents to be 100 and the total annual responses to be 150.

We estimate it will take two hours to comply.

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 January 23, 2009 (74 FR 4303), 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 taxpayer 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 to the paperwork burden previously reported to OMB.

However, the ICR reflects a violation of the PRA requirements covering the timeframe of March 1, 2009 through March 4, 2009. While efforts were made to ensure a timely submission of the request, the submission request was delayed due to internal processes.

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.