

SUPPORTING STATEMENT
(Revenue Procedure 2005-50)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This revenue procedure prescribes how an eligible educational institution may obtain automatic consent from the Service to change its method of reporting under section 6050S of the Code and the Income Tax Regulations. For calendar years beginning after December 31, 2003, an eligible educational institution must elect to report either the aggregate amount of payments received, or the aggregate amount billed, for qualified expenses during the calendar year for students enrolled for any academic period. Section 1.6050S-1(b)(1) of the regulations provides that once an eligible educational institution elects to report either amounts billed, or payments received, it must continue to use the same method of reporting for all subsequent calendar years for which it is required to file information returns, and furnish information statements, unless permission is granted to change its reporting method. An eligible educational institution that complies with all of the provisions of this revenue procedure has obtained consent to change its method of reporting as required by section 1.6050S-1(b)(1) of the regulations.

2. USE OF DATA

An eligible educational institution must notify the Service of its change in reporting method under the revenue procedure by submitting a written statement. The written statement must include a prominent reference to this revenue procedure and must contain the following information:

1. The eligible educational institution's name and Employer Identification Number (EIN);
2. All locations and branch campuses included in the educational institution (and their EINs);
3. The method of reporting under section 6050S and the regulations to which the eligible educational institution, including all its locations and branch campuses, is changing;
4. The calendar year for which the change in reporting is effective;
5. A statement as to whether the eligible educational institution, or any of its locations and branch campuses, has changed its method of reporting within the four year period preceding the year of the change, and if so: (a) the calendar year of the previous change, and (b) an explanation of extraordinary circumstances. This would require records to be kept for five years of any change in reporting.

Pursuant to section 1.6050S-1(b)(1) of the regulations, the consent of the Service is granted to an eligible educational institution, including all its locations and branch campuses, to change its method of reporting under section 6050S and the regulations for the calendar year in which the institution timely submits the written statement.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Not applicable.

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 revenue procedure will not impose a significant economic impact on small businesses.

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

This Revenue Procedure 2005-50 was published in the Internal Revenue Bulletin (2005-32 I.R.B. 272), on August 8, 2005.

In response to the **Federal Register Notice** dated **March 12, 2009 (74 FR 10807)**, we received no comments during the comment period regarding Rev. Proc 2005-50.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The likely respondents are nonprofit institutions. The estimated total annual recordkeeping and reporting burden is 300 hours. The estimated annual recordkeeping and reporting burden per respondent is 10 hours. The estimated number of annual respondents is 30.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register Notice** dated **March 12, 2009 (74 FR 10807)**, 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 ANNUAL 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. This form is being submitted for renewal purposes only.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

Not applicable.

18. EXCEPTIONS TO THE CERTIFICATION REQUIREMENT OF 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 information are confidential, as required by 26 U.S.C. 6103.