

## SUPPORTING STATEMENT

### 1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 7701(a)(40) of the Internal Revenue Code of 1986 provides that the term "Indian tribal government" means the governing body of any tribe, band, community, village, or group of Indians or Alaska Natives that is determined by the Secretary of the Treasury, after consultation with the Secretary of the Interior, to exercise governmental functions.

In 1983, the Internal Revenue Service published a list of Indian tribal governments. This list generally includes all federally recognized Indian tribes as determined by the Department of the Interior in 1983. The regulations provide that if a governing body is not on the list, and the governing body believes that it does qualify as an Indian tribal government, it may apply to the Internal Revenue Service for a ruling to that effect. Several governing bodies have received rulings that they are Indian tribal governments.

Section 7871 of the Code provides that a subdivision of an Indian tribal government shall be treated as a political subdivision of a state only if the Secretary of the Treasury determines, after consultation with the Secretary of the Interior, that such subdivision has been delegated governmental functions of the Indian tribal government.

In 1984 the Service published a list of subdivisions of Indian tribal governments. The regulations provide that if a subdivision is not currently listed and believes it qualifies for inclusion on the list, it may apply to the Service for a ruling to that effect. As in the case of the Indian tribal governments list several subdivisions not included on the list have received rulings.

### 2. USE OF DATA

The information will be used by the Internal Revenue Service to determine whether a governing body or subdivision qualifies as an Indian tribal government or subdivision thereof that qualifies for treatment as a state or political subdivision of a state for purposes of sections 7701(a)(40) and 7871 of the Code.

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

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and

Restructuring Act of 1998.

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

A notice of proposed rulemaking (49 FR 19329) and temporary regulation (49 FR 19302) were published in the **Federal Register** on May 7, 1984.

We received no comments in response to the **Federal Register** notice **dated May 20, 2010 (75 FR 28323)**.

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

Sections 305.7701-1(a) and 305.7871-1(e) of the Temporary Procedural and Administrative Tax Regulations under the Indian Tribal Governmental Tax Status Act of 1982 require Indian tribal governments and their subdivisions that wish to be designated as such to submit information to the Internal Revenue Service. It is estimated that approximately 25 governing bodies will request to be designated as Indian tribal governments or subdivisions thereof, and that each governing body will need approximately one hour to complete the request. Accordingly, the estimated reporting burden is 25 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 May 20, 2010(75 FR 28323)**, 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

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 regulation sunsets 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.