

SUPPORTING STATEMENT
(NOTICE-2010-30)
(NOTICE-107632-10)

1. CIRCUMSTANCES NECESSITATING COLLECTING OF INFORMATION

The Military Spouses Residency Relief Act (“MSRRA”) was signed into law on November 11, 2009. MSRRA applies to tax year 2009 and subsequent tax years. MSRRA extends certain protections provided to servicemembers under the Servicemembers Civil Relief Act to the servicemembers’ spouses (“civilian spouses”). Under MSRRA, a civilian spouse may maintain a residence or domicile (“tax residence”) other than where he or she is physically present for tax purposes while accompanying the servicemember spouse to a military duty station. Additionally, the civilian spouse may not be required to pay taxes on income from services derived from sources in a jurisdiction outside his or her chosen tax residence under MSRRA.

This notice provides guidance to taxpayers who claim the benefits of the tax provisions under MSRRA for tax year 2009. The notice provides civilian spouses working in a U.S. territory during 2009 but claiming a tax residence in one of the 50 States or the District of Columbia (“U.S. mainland”) under MSRRA with an extension of time through October 15, 2010 for paying the tax due the Internal Revenue Service (“IRS”) for 2009. Additionally, this notice provides civilian spouses working on the U.S. mainland during 2009 but claiming a tax residence in a U.S. territory under MSRRA with guidance on filing claims for refund of federal income taxes that their employers withheld and remitted to the IRS or estimated tax payments the taxpayers paid to the IRS during 2009.

Notice 107632-10 is being supplemented by Notice 2010-30.

2. USE OF DATA

The collection of information relates to the notice’s requirement that civilian spouses seeking the relief provided in the notice attach a signed declaration to their federal income tax returns stating that they are eligible for the benefits provided under MSRRA. This information will be used to verify a civilian spouse’s eligibility for MSRRA benefits.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this notice. This notice requires taxpayers seeking the relief provided by the notice to attach a signed declaration to their federal income tax returns stating that they are eligible for the benefits provided

by MSRRA. Such a declaration cannot be included with a federal income tax return under the current electronic filing system.

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. This notice applies primarily to individuals and is not expected to impact small businesses or other small entities.

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. This notice does not require data collection inconsistent with the guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Notice 2010-30 was published in the Federal Register on May 3, 2010 per I.R.B. 2010-18. No comments were received from the public.

In response to the Federal Register notice (75 FR 33981) dated June 15, 2010, we received no comments during the commenting period regarding Notice 2010-30.

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax return information and tax returns are confidential as required by 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable. This notice does not request responses to any sensitive questions.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collections of information in this notice are in Part III(A)(1)(b) and III(B)(1)(a). This information will be used to verify a taxpayer's eligibility for the benefits provided under the tax provisions of MSRRA. The collection of information is required to obtain a benefit. The likely respondents are individuals.

The estimated average burden per respondent is 1 hour, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of paperwork. The estimated number of respondents is 6,200. **The estimated total annual reporting and/or recordkeeping burden is 6,200 hours.**

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

In response to the Federal Register notice (75 FR 33981) dated June 15, 2010, we received no comments during the comment period regarding Notice 2010-30.

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information 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 also 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 83-1

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.