

**SUPPORTING STATEMENT****1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

The revenue procedure was initiated to provide model amendments that any State or local government may use to amend its eligible section 457(b) governmental plan to comply with one or more of the changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001, the Taxpayer Relief Act of 1997, the Small Business Job Protection Act of 1996 and the section 457 regulations, TD 9075 published in the Federal Register (68 FR 41230) on July 11, 2003 .

**2. USE OF DATA**

If an eligible governmental employer, as defined in section 457(e)(1)(A) of the Code, adopts one or more of the model amendments for a plan intended to be an eligible section 457(b) governmental plan, the plan will be treated as meeting the plan requirements for eligibility under section 457(b) with respect to the adopted model amendments. An employer may adopt the applicable model amendment provided in this revenue procedure on a word-for-word basis or may adopt an amendment that is substantially similar in all material respects. However, these model amendments are limited in scope. Therefore, use of the model amendments does not have the same status as a private letter ruling which provides in advance that a plan is an eligible section 457(b) plan. In addition, if an eligible governmental employer adopts one or more of the model amendments, the plan must be operated in accordance with the model amendments and must continue to satisfy in both form and operation any other requirements in order to maintain eligibility. In the proposed revenue procedure the Internal Revenue Service encourages eligible governmental employers who seek advance assurance concerning plan eligibility to submit a request for a private letter ruling under Rev. Proc. 2004-1, 2004-1 I.R.B. 1. To the extent an employer's plan does not include the model amendments or an amendment that is substantially similar in all respects, an employer who requests a private letter ruling from the Internal Revenue Service on plan eligibility under section 457 must

clearly highlight in the written request how its plan provisions differ from the model amendments.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, regulations, published guidance, e.g., revenue rulings and revenue procedures, notices, letters, and letter rulings 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

This Revenue Procedure was published in the Federal register on July 11, 2003 (68 FR 41230).

In response to the Federal Register dated September 30, 2010 (75 FR 60509), we received no comments during the comment Period regarding Rev. Proc. 2004-56.

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

RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Submissions under this notice are considered tax returns and tax return information, which are confidential as required by 26 U.S.C. § 6103. In general, certain matters relating to taxability and deductibility are disclosable under 26 U.S.C. § 6110.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collection of information in this revenue procedure is pursuant to section 457(b) of the Internal Revenue Code and section 1.457-1 of the Income Tax Regulations.

Sections 2.2, 2.4, and 2.6 of the Appendix to the revenue procedure deals with the election to defer compensation and the information that has to be provided to the administrator of the plan by a participant in the plan.

The estimated average annual burden varies from 30 minutes to 1½ hours with an estimated average burden of 1 hour on 10,260 respondents for an estimated average burden of 10,260 hours annually.

Sections 5.2, 5.3, 5.4, 5.11, 6.3 and 8.6 of the Appendix to the revenue procedure deals with the participant rights to distribution and the notification that the participant has to give to the administrator of the plan. This information is required to enable sponsors of plans of state or local governments described in the revenue procedure to make the necessary amendments to ensure compliance with the statutory requirements of section 457(b) and the underlying regulations. The likely respondents are state or local governments.

The estimated average burden varies from 2½ hours to 6½ hours with an estimated average burden of 3 hours on 10,260 respondents for an estimated average burden of 30,780 hours annually.

The total estimated average annual burden varies from 3 hours to 8 hours with a total estimated average burden of 4 hours on 10,260 respondents for a total of 41,040 hours annually.

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 September 30, 2010, 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 to the paperwork burden previously reported to 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 revenue procedure 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.