

Supporting Statement for the New Markets Tax Credit Program
Allocation Application (1559-0016)

A. Justification

1. Circumstances necessitating collection of information

Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000 (the Act), as enacted by section 1(a)(7) of the Consolidated Appropriations Act, 2001 (Public Law No. 106-554, December 21, 2000), amended the Internal Revenue Code (IRC) by adding IRC Section 45D, New Markets Tax Credit. Pursuant to IRC section 45D, the Community Development Financial Institutions (CDFI) Fund implements the New Markets Tax Credit (NMTC) Program which will provide an incentive to investors in the form of a tax credit, which is expected to stimulate investment in private capital that, in turn, will facilitate economic and community development in low-income communities. In order to qualify for an allocation of tax credits under the NMTC Program an entity must be certified as a qualified community development entity and submit an allocation application to the CDFI Fund. Upon receipt of such applications, the CDFI Fund will conduct a competitive review process to evaluate applications for the receipt of NMTC allocations.

2. Method of collection and use of data

The data will be collected by voluntary submission of entities seeking tax credit allocations. The collected data will be used by the CDFI Fund to evaluate applicants based on specific criteria to select certain applicants for receipt of tax credit allocations.

3. Use of Information Technology

Applications will be made available on the CDFI Fund's website. The CDFI Fund will require that applicants submit allocation applications in an electronic format.

4. Efforts to identify duplication

The allocation application does not duplicate any other CDFI Fund or Federal program information-gathering tool.

5. Impact on small entities

This collection of information does not have a significant impact on small entities and it is voluntary.

6. Consequences of less frequent collection and obstacles to burden reduction

The CDFI Fund cannot provide tax credit allocations to CDEs and fulfill its statutory obligations without the submission of this application. The submission of the allocation application is voluntary.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

Pursuant to the notice and request for comments published in the Federal Register on August 25, 2010, at 75 FR 52393; the CDFI Fund has received one set of comments pertaining to improving the consistency and clarity of substantive requirements by providing increased guidance to applicants on program definitions and policy interpretations. The CDFI Fund is in the process of evaluating these comments and will consider developing relevant guidelines or incorporating modifications in the 2011 NMTC Allocation Application. The CDFI Fund will also consider these comments with a view towards minimizing burdens on applicants.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

10. Assurance of confidentiality

The CDFI Fund is subject to all Federal regulations with respect to confidentiality of information provided by NMTC Program allocation applicants. No other assurances of confidentiality have been provided.

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in the application.

12. Estimate of the hour burden of information collection.

The burden for this information collection is broken-down into categories of affected public with the total estimated burden of 62,001 hours. The same application (collection instrument) is used by both categories.

Affected Pubic	# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Total Hours
Private Sector	234	1	234	249	58,266
State, Local, & Tribal	15	1	15	249	3,735
Totals	249	1	249	249	62,001

13. Estimate of total annual cost burden to respondents

There are no cost burdens to respondents to this collection of data. No purchase of equipment or services will need to be made by respondents for this information collection other than as required as a part of customary and usual business practices.

14. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff and contractor time required to review the submitted applications, maintain the electronic application system and collect follow-up information from applicants.

15. Any program changes or adjustments

The CDFI Fund has reduced the number of application questions and tables by merging or eliminating. Where it was deemed, the CDFI Fund changed the format of some questions to ensure clarity of responses.

The 200 burden hours per respondent previously submitted was an estimate based upon the reduction in number of questions and tables contained in the application. The number of burden hours has to be estimated because no application had yet been received at the time of the emergency request submission. The adjustment in burden estimate to 249 per respondent was based upon the real data as provided from the respondents. The increase burden is needed to adequately manage the new application format and interpret and respond to the revised questions and tables.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through the allocation application will not be published.

17. Reasons for not displaying expiration date of OMB approval

The display of the OMB expiration date would cause confusion by respondents due to the limit duration of application period. It is requested not to display this expiration date.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

This section is not applicable.