

Supporting Statement Notice 2011-43, 2011-44  
OMB No. 1545-2206

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The proposed collection of information in this notice results from the Pension Protection Act of 2006, Public Law 109-280, § 1223(a) (120 Stat. 780 (2006)) (PPA), which enacted § 6033(j). Section 6033(j) revokes the tax-exempt status of any organization that fails to comply with the reporting requirements of § 6033(a)(1) or (i) for three consecutive years and requires any organization so revoked to apply in order to obtain reinstatement of its exempt status. If upon application for reinstatement, an organization can show to the satisfaction of the Secretary evidence of reasonable cause for its consecutive three-year failure to file, the organization's exempt status may, in the discretion of the Secretary, be reinstated effective from the date of the revocation. In order to meet the reasonable cause standard under § 6033(j)(3), Notice 2011-44 provides that an organization requesting retroactive reinstatement must show evidence that it exercised ordinary business care and prudence in each of the three years (and over the entire three-year period) that it failed to meet its reporting requirements under § 6033. The information requested in Notice 2011-44 is necessary for inspection by the Internal Revenue Service (IRS) in determining whether reasonable cause exists. Notice 2011-43 provides transitional relief for certain small organizations that lost their tax-exempt status because they failed to file a required annual electronic notice for taxable years beginning in 2007, 2008 and 2009.

2. USE OF DATA

The IRS will use the information provided pursuant to this notice to determine whether reasonable cause exists for purposes of granting retroactive reinstatement under section 6033(j)(3).

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. The information provided pursuant to section 4 of this notice is necessary for the IRS to determine whether reasonable cause exists for purposes of granting retroactive reinstatement under section 6033(j)(3) and is not duplicative of any other requirement imposed on the affected organizations. In addition, once an exempt organization provides the evidence of reasonable cause, it will not need to provide such information a second time unless and until it is again revoked under section 6033(j) for a consecutive three-year failure to file and again seeks retroactive reinstatement.

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

The IRS engaged in extensive outreach efforts to educate exempt organizations about the new reporting requirements under § 6033(i) and the new penalty under § 6033(j)(1) for consecutive, three-year failures to meet reporting requirements. This notice provides interim guidance with respect to retroactive reinstatement and reasonable cause under § 6033(j)(2) and (3) and invites interested parties to submit comments regarding the interim guidance. The Treasury Department and the IRS intend to consider all comments received in response to this notice before issuing proposed regulations that will address retroactive reinstatement and reasonable cause under § 6033(j).

In response to the **Federal Register** notice dated June 7, 2011, (76 FR 33024), we received no comments during the comment period regarding Notice 2011-43 and Notice 2011-44.

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. However, 26 USC 6104 provides that if an organization described in section 501(c) or (d) is exempt from taxation under section 501(a) for any taxable year, the application filed by the organization with respect to which the Secretary made his determination that such organization was entitled to exemption under section 501(a), together with any papers submitted in support of such application or notice, shall be open to public inspection at the national office of the IRS.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

No. Response	Hours Per Response	Total Burden
2,917	1	2,917

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

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.

As suggested by OMB, our **Federal Register** notice dated June 7, 2011, (76 FR 33024), 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. 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

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 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.