

## Supporting Statement

### 1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This document contains final regulations necessary to implement the redesigned Form 990, "Return of Organization Exempt From Income Tax." The final regulations contained in TD 9549 make revisions to the regulations to allow for new threshold amounts for reporting compensation, to require that compensation be reported on a calendar year basis, and to modify the scope of organizations subject to information reporting requirements upon a substantial contraction. The final regulations also eliminate the advance ruling process for new organizations, change the public support computation period for publicly supported organizations to five years, consistent with the revised Form 990, and clarify that support must be reported using the organization's overall method of accounting. All tax-exempt organizations required to file annual information returns are affected by these regulations.

### 2. USE OF DATA

These regulations make the revisions that must be made to the regulations under section 6033 and section 6043 of the Code to implement the Form 990 redesign. For example, the regulation that currently gives organizations a choice of using either the calendar year or the organization's annual accounting period as the basis for reporting compensation of officers, directors, trustees and certain employees and contractors is revised to require calendar year reporting. Revisions are also made to allow for new threshold amounts for reporting compensation and to expand the scope of organizations subject to information reporting requirements upon a substantial contraction.

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

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission. Information will be collected through the Form 990 and appropriate attachments.

### 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 notice of proposed (REG-142333-07), and final rulemaking (TD 9423), were published in the Federal Register (73 FR 52528), on September 9, 2008. Final regulations and removal of temporary regulations were published September 9, 2011, at 76 FR 55749.

In response to the Federal Register notice (76 FR 63993), dated October 14, 2011, we received no comments during the comment period regarding these regulations.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The regulations implement the redesigned Form 990, "Return of Organization Exempt From Income Tax".

These regulations make the revisions that must be made to the regulations under section 6033 and section 6043 of the Code to implement the Form 990 redesign. For example, the regulation that currently gives organizations a choice of using either the calendar year or the organization's annual accounting period as the basis for reporting compensation of officers, directors, trustees and certain employees and contractors is revised to require calendar year reporting. Revisions are also made to allow for new threshold amounts for reporting compensation and to expand the scope of organizations subject to information reporting requirements upon a substantial contraction. We estimate that a majority of the burden related to these regulations will be affiliated directly with the Form 990 and supporting Schedules. The estimated burden associated with these regulations directly is 1 hour.

Estimates of the annualized cost to respondents for the hour burdens associated with the information collection are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated October 14, 2011, 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 responses from taxpayers on this subject. As a result, estimates of these 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 were no changes made to the document that resulted in any change to the 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 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.