

Supporting Statement T.D. 8316

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 216(b)(3)(B)(ii) of the Internal Revenue Code of 1986 allows cooperative housing corporations to make an election whereby the amounts of mortgage interest and/or real estate taxes to be allocated to tenant-stockholders of the corporation will be based on a reasonable estimate of the actual costs attributable to each tenant-stockholder's dwelling unit. In the absence of such a one-time election, such costs are allocated proportionally among the tenant-stockholders based on the number of shares held in the corporation.

2. USE OF DATA

The election statement will be used by the Internal Revenue Service to determine which cooperative housing corporations have made this election.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Notices and Letters 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 wherever possible within the agency.

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

On May 27, 1988, the **Federal Register** published proposed amendments (LR-102-86) to the Income Tax Regulations (53 FR 19,312) under section 216 of the Internal Revenue Code of 1986. A public hearing was not requested and none was held. Several written comments were received. After consideration of all the written comments, the proposed amendments were adopted as final regulations (T.D. 8316) and published in the **Federal Register** on October 17, 1990 (55 FR 42,003).

We received no comments during the comment period in response to the **Federal Register Notice dated October 3, 2011 (76 F.R. 61146)**.

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and 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

Burden Estimation:

Section 1.216-1(d)(2) of this regulation allows an election to be made by cooperative housing corporations. We estimate that approximately 2,500 such elections will be made and that it will take approximately .25 hours to complete an election. The total burden for this citation is 625 hours.

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 Federal Register Notice dated October 3, 2011 (76 F.R. 61146)**.

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. 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 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.