

Supporting Statement
(Form 990)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC section 6033 requires organizations exempt under section 501(c) to file an annual return. Form 990 is required by the Income Tax Regulations under Code section 6033. Exemptions from filing are provided in 26 CFR 1.6033-2(g). IRS has liberalized these exemptions by raising the \$5,000 limit to \$25,000. The content of Form 990 is largely specified by 26 CFR 1.6033-2.

2. USE OF DATA

The IRS uses the information from Form 990 to assure that tax-exempt organizations are operating within the limitations of their tax exemption.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are currently offering for the first time this year electronic filing on Form 990 and its schedules; however, it cannot be predicted how many will be filed electronically.

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

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 990 and schedules.

We are publishing a Federal Register notice with a 7-day comment period at the same time we are requesting OMB approval for this revision. We will publish another Federal Register notice shortly to give the public 60 days to make comments on Form 990, and specifically, Schedule H. As of May 15th, IRS has received no comments. IRS has requested that OMB conclude on the request before the end of the 7-day comment period, but IRS will consider and address any comments received in a future submission request.

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.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

<u>Form</u>	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
990 & Schedules			403,068
			63.92

25,76
6,156

Estimates of annualized cost to respondents for the hour burdens shown above are not available at this time.

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0047 to these regulations.

1.501(c)(9)-5(a)	1.501(c)(17)-3(c)
1.503(c)-1	1.509(a)-3
1.509(a)-5(a)(3)	1.512(a)-4
1.1388-1	1.6012-2
1.6012-3	1.6033-2
1.6043-3	

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the form. The justification appearing in item 1 of the supporting statement applies both to these regulations and to the form.

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.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form and schedules is \$20,000.

15. REASONS FOR CHANGE IN BURDEN

Schedule H has been completely redesigned. IRS has provided the 2010 version of the form as a supplementary document in ROCIS for comparison.

Page 1, Part 1, 1a-6b. IRS added information relating to a hospital's financial assistance policy for the poor. This is required by the Patient Protection and Affordable Care Act, P.L. 111-148, sec. 9007(a). ("the Act") Note: This only

applies to organizations with tax years beginning after March 23, 2010. This clarification will be made in the instructions. (See sec. 9007(f)(1) of the Act.)

IRS made the following technical changes in order to comply with the Act: IRS changed "charity care" to "financial assistance" in the following lines: the title, lines 1a, 2, 3, 4, 5a, 5b, 7, 7a, 7d.

IRS added "facilities" after "hospital" on line 2 in the checkboxes.

IRS made style changes per TE/GE email request, as follows:

IRS changed "is" to "was" on lines 1b, 3a, 3b. We changed "does" to "did" on lines 3a, 3b, 5a, 6a, 6b.

IRS added "during the tax year" on lines 1a, 2, 3, 4, 5a, 6a.

IRS added "or" on line 4 before "discounted care".

On question 6a, IRS replaced "prepare an annual community benefit report" with "prepare a community benefit report".

Page 2; Part II. IRS added requests for information about a hospital's community building activities.

IRS changed "charity care" to "financial assistance" in Part III, Section A, line 3.

Page 2; Part III, Section C, 9a, b. IRS added information relating to a hospital's debt collection policy. This is required by the Patient Protection and Affordable Care Act, P.L. 111-148, sec. 9007(a). Note: This only applies to organizations with tax years beginning after March 23, 2010. (See sec. 9007(f)(1) of the Act.)

This clarification will be made in the instructions.

Page 3; Part V, Section A. IRS added requests for information describing a hospital's facilities. (name, address, and total number of facilities)

Pages 4-6; Part V, Section B. (These are all new pages)

Questions 1-5, 8-21: Required by the Patient Protection and Affordable Care Act, P.L. 111-148, sec. 9007(a). This covers substantive new law, including Community Health Needs Assessment (CHNA).

Questions 6, 7: CHNA questions-additional reporting requirements of substantive new law. Required by P.L. 111-148, sec. 9007(d) of the Act.

Applicable years for Section B:

Questions 1-7: CHNA questions: This only applies to organizations with tax years

beginning after March 23, 2012. See sec. 9007(f)(2) of the Act.

(Note: All years listed before March 23, 2012 are not required under the Act.

They are only listed here because TE/GE decided to list these years under its general authority under the Code to gather information about tax-exempt organizations. Sec. 6033.)

Questions 8-21: This only applies to organizations with tax years beginning after March 23, 2010. This clarification will be made in the instructions. See sec. 9007(f)(1) of the Act.

Page 7. (New page) Part V, Section C.

IRS added information requesting information on any non-hospital facilities operated by hospitals.

Page 8, Part VI, 1-7. IRS made changes relating to a hospital's various supplemental activities. This is required by P.L. 111-48, sec. 9007(a). These changes are as follows:

Part VI, #1. Add the following:

Required descriptions.

Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

Part VI, #2. Page 8, Part VI, line 2. Delete line 2. Add:

4. Needs assessment. Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

Part VI, #3. Line 3. Change "charity care" to "financial assistance".

Part VI, #5. Add the following:

5. Promotion of community health.

IRS deleted old question 5, which was moved to page 2, Part II, in the description following the title. Change "hospital" to "hospital facilities".

Part VI, #6. Add the following:

6 Affiliated health care system.

Part VI, #7. Add the following:

7 State filing of community benefit report.

We renumbered questions "6-8" to "5-7."

Page 4 is now renumbered as page 8.

Applicable years for Part VI: The above changes only apply to organizations with tax years beginning after March 23, 2010. This clarification will be made in the instructions.

See sec. 9007(f)(1) of the Act.

These changes result in a net increase of 55,177 burden hours.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment

18. EXCEPTION 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.