

**SUPPORTING STATEMENT
(EE-28-78)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

26 CFR 301.6104(a)-5(a) (Formerly 26 CFR 301.6104-1(c)):

IRC section 6104(a)(1)(D) states that upon the request of the organization submitting supporting papers, the Commissioner shall withhold from public inspection any information which is related to any trade secret, patent process, style of work, or apparatus of the organization, if it is determined that public disclosure would adversely affect the organization. This regulation requires that requests for withholding of information under section 6104(a)(1)(D) shall clearly identify the material desired to be withheld (the document, page, paragraph, and line) and shall include the reasons for the organization's position that the information is of the type which may be withheld from public inspection.

26 CFR 301.6104(a)-6(b) (Formerly 26 CFR 301.6104-1(e)):

IRC section 6104(A)(1)(A) requires the application of any organization described in section 501(c) or (d) that is exempt under section 501(a) to be open for public inspection. This regulation states that public inspection of applications for exemption and supporting documents shall be available only upon request. All requests must include the name and address of the organization which filed the application.

26 CFR 301.6104(a)-1(f) (Formerly 26 CFR 301.6104-1(f)):

IRC section 6104(a)(1)(A) requires that after the application of any organization has been opened to public inspection on the request of any person with respect to such organization, a statement be furnished indicating the subsection and paragraph of section 501 which it has been determined described such organization. This regulation states that upon request in writing, the subsection and paragraph of section 501 under which the organization has been determined to qualify for tax exemption shall be furnished and whether the organization is currently held to be exempt.

26 CFR 301.6104(b)-1 (Formerly 26 CFR 301.6104-2(c)):

IRC section 6104(b) requires that information required by sections 6033, 6034, and 6058, together with names and addresses of such organizations and trusts described in those sections, shall be made available to the public. This regulation requires that public inspection of information furnished on the public portion of returns and annual reports shall be available upon written request. The request must provide the name and address of the organization, the type of return or report, and the year for which the organization filed. Requests for copies shall be made in the same manner as requests for inspection.

26 CFR 301.6104(c)-1 (Formerly 26 CFR 301.6104-3(a)(2)):

IRC sections 6104(c)(1)(A) and (B) require that the appropriate State officer be notified of the refusal to recognize an organization as described in section 501(c)(3), or no longer meets the requirement and notify the State officer of the mailing of a notice of deficiency of tax. This regulation prescribes the procedure for other officers of States to request notification under section 6104(c)(1)(A) and (B). These officers must show that they are appropriate State officers such as by presenting a letter from the Attorney General of the State.

26 CFR 301.6104(c)-1(b) (Formerly 26 CFR 301 6104-3(b)):

IRC section 6104(c)(1)(C) requires that at the request of an appropriate State officer, returns, filed statements, records, reports and other information as are relevant to any determination under State law be made available for inspection or copying. This regulation requires that before any State officer will be permitted to inspect material described in section 6104(c)(1)(C) he must submit a statement that he intends to use such material solely in fulfilling his functions under State law.

2. USE OF DATA

We use the information to determine whether requesters and filers are in compliance with IRC section 6104.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing. IRS publication, regulations, 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 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

The notice of proposed rulemaking was published in the **Federal Register** on December 30, 1980 (45 FR 85788). A public hearing was not held. The final regulations were published in the **Federal Register** on November 8, 1982 (47 FR 50484).

In response to the **Federal Register Notice** dated **February 2, 2012 (77 FR 7240)**, we received no comments during the comment period regarding Regulation EE-28-78 (TD 7845) (Final).

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**

We estimate the reporting burden for this regulation to be as follows:

Regulation	<u>Number of Responses</u>	<u>Number of Burden Hrs</u>	<u>Average Hrs per Response</u>
26 CFR 301.6104(a)-5(a)	270	95	.35
26 CFR 301.6104(a)-6(b)	11,600	2,320	.20
26 CFR 301.6104(a)-l(f)	1,200	240	.20
26 CFR 301.6104(b)-1	8,700	1,740	.20
26 CFR 301.6104(c)-1	150	53	.35
26 CFR 301.6104(c)-l(b)	<u>20,450</u>	<u>4,090</u>	.20
Total	42,370	8,538	

These estimates were determined after consultation with persons knowledgeable in this area of the Internal Revenue Code.

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 Notice** dated **February 2, 2012 (77 FR 7240)**, 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.