

Supporting Statement
(Form 990 and 501(r) NPRM/REG-130266-11)

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.

In addition, IRC 501(r)(4) requires hospital organizations to establish a written financial assistance policy (FAP) and a written policy related to care for emergency medical conditions, and section 501(r)(6) requires a hospital organization to make reasonable efforts to determine whether an individual is eligible for assistance under a FAP before engaging in extraordinary collection actions against that individual.

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.

The collection of information required by the 501(r) NPRM will be used to disclose information about the hospital's financial assistance policy to its patients and the general public in its community and to demonstrate that the hospital is complying with the requirements of section 501(r).

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.

The 501(r) NPRM (REG-130266-11) will be published in the Federal Register to provide the public a 60-day period in which to review and provide public comments relating to any aspect of the proposed regulation. A public hearing will be held with respect to this NPRM if any person who has submitted written comments requests one.

In addition, in 2010, the IRS issued a general request for comments on section 501(r) in Notice 2010-39, received more than 120 comments, and reviewed and considered all of these comments in issuing the 501(r) NPRM.

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
			25,766,156
REG-130266-11			3,377
			11.5
			38,836

Total	406,445		25,804,992

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

The total annual burden previously approved by OMB is increasing by 38,836 burden hours as the result of new record-keeping requirements under REG-130266-11.

The requirements of the 501(r) NPRM reflect changes to the law made by the Patient Protection and Affordable Care Act of 2010.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment

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.