

SUPPORTING STATEMENT
OMB No. 1545-1932

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

These final regulations provide guidance for filing information returns by donees relating to qualified intellectual property contributions. These final regulations reflect change to the law (section 882 of American Jobs Creation Act of 2004 (Public Law 108-357, 118 Stat. 1418)(the Act)). The regulations affect donees receiving net income from qualified intellectual property contributions made after June 3, 2004.

2. USE OF DATA

The data will be used by donors of qualified intellectual property and the IRS to determine the appropriate deduction related to a contribution of qualified intellectual property.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, 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

On May 23, 2005, temporary regulations (TD 9206) relating to information returns by donees with respect to qualified intellectual property contributions under section 6050L

were published in the *Federal Register* (70 FR 29450). A notice of proposed rulemaking (REG-158138-04) cross-referencing the temporary regulations was published in the *Federal Register* (70 FR 29460) on the same date. No comments were received from the public in response to the notice of proposed rulemaking and no public hearing was requested or held. Accordingly, the proposed regulations are adopted as amended by TD 9392 and the corresponding temporary regulations are removed.

We received no comments during the comment period on response to the Federal Register notice dated April 5, 2012 (77 FR 20694).

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

The collection of information in this regulation is in 1.6050L-2. Section 6050L(b) requires certain donees of qualified intellectual property to annually report certain information regarding the qualified intellectual property to the Internal Revenue Service and to provide the information to the donor of the qualified intellectual property. Section 1.6050L-2 provides guidance for the filing of information returns by donees relating to qualified intellectual property contributions.

The burden estimate is as follows:

No. of Respondents	No. of Responses Per Respondent	No. of Annual Responses	Hours Per Response	Total Burden
100	1	100	2	200

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 April 5, 2012 (77 FR 20694), 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

The revision is due to an adjustment in agency estimates to correct an error in the previously reported burden calculations. We are making a correction to the number of respondents and the recordkeeping time to reflect the numbers shown in the NPRM as published on May 23, 2005 (70 FR 29460). The total number of annual burden hours is increased by 198 hours.

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 regulations sunset 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.