

SUPPORTING STATEMENT

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This revenue procedure provides guidance to State housing credit agencies (Agencies) and owners of low-income buildings (Owners) regarding the suspension of certain income limitation requirements under section 42 of the Internal Revenue Code for certain low-income housing tax credit properties affected by major disaster areas declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. (Stafford Act).

2. USE OF DATA

This information will be used to enable the Service and Agencies to: 1) verify whether particular low-income housing credit projects warrant the carryover relief in sections 6.02 and 6.03 of the revenue procedure; 2) to determine if Owners have failed to restore qualified basis within the restoration period described in section 8.01 of the revenue procedure; 3) verify whether an Owner has failed to comply with the rules of § 42 because of a major disaster, and determine if a major disaster contributed to the noncompliance; and 4) verify whether displaced individuals warrant temporary housing in vacant low-income housing credit projects in accordance with existing requirements under section 42 of the Internal Revenue Code. Also, this information will be used to enable the Service to verify whether an allocation of credits is treated as a returned credit to the Agency under section 10.01 of the revenue procedure.

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

Not applicable.

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 recordkeeping requirements are in section 7, 8, 9, 10, and 12 of the revenue procedure. This information is required for the following reasons. First, the Service and the Agencies must be able to verify whether particular low-income housing credit projects warrant the carryover relief in sections 6.02 and 6.03 of the revenue procedure. Second, the Service and the Agencies must be able to determine if Owners have failed to restore qualified basis within the restoration period described in section 8.01 of the revenue procedure. Third, the Service and the Agencies must be able to verify whether an Owner has failed to comply with the rules of § 42 because of a major disaster, and determine if a major disaster contributed to the noncompliance. Fourth, the Service must be able to verify whether an allocation of credits is treated as a returned credit to the

Agency under section 10.01 of the revenue procedure. Last, the Service and the Agencies must be able to verify whether displaced individuals warrant temporary housing in vacant low-income housing credit projects in accordance with existing requirements under section 42 of the Internal Revenue Code.

The estimated annual burden per recordkeeper is 30 minutes. The estimated number of recordkeepers is 3500. The estimated total annual recordkeeping burden is 1750 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

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

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

Not applicable.

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 revenue procedure 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.