

**Supporting Statement  
Internal Revenue Service  
Exempt Organizations Division  
Authorized Cyber Assistant Host Application**

**Part A. Justification**

1. Circumstances necessitating collection of information

The IRS will be creating a web-based software program, referred to as Cyber Assistant, that will guide applicants for tax-exempt status through the preparation of Form 1023, *Application for Recognition of Exemption under Section 501(c)(3)*. The program, similar to tax preparation software, ensures that an application is complete before allowing the applicant to print out a PDF version of the completed Form 1023 for submission to the IRS. As the Forms 1023 completed using Cyber Assistant will not be electronically transmitted to the IRS, bar codes included on applications completed via Cyber Assistant will allow the IRS to scan the complete Form 1023 upon receipt from the applicant, making all of the data available electronically instead of the limited number of items that are currently transcribed from standard paper applications.

The IRS does not have the ability to host the Cyber Assistant software on its own website; therefore, it needs to partner with businesses to host the software on their websites. The information on the Authorized Cyber Assistant Host Application (“application”) is needed to assist in determining whether the applicant is qualified to host the Cyber Assistant software.

2. Use of information

The IRS will evaluate the information on this application to assist in determining whether an applicant meets the qualifications to become an Authorized Cyber Assistant Host.

3. Information technology

The collection of this information does not involve the use of automated, electronic, mechanical or other technological collection techniques. The form is returned to the IRS in a paper format. Electronic filing, which is a valuable tool for reducing the burden of recurring IRS filing requirements, is not suitable to this one-time information collection. Therefore, the underlying costs of designing and using electronic data collection tools would exceed any potential burden savings.

4. Non-duplication

This form asks for information that is not available to the IRS through any other means.

5. Small entities

Not applicable.

6. Consequences of non-collection

The inability to collect this information will significantly hinder, if not completely eliminate, the IRS' ability to launch the Cyber Assistant software, because it will be unable to select participants for the Cyber Assistant Program. The inability to launch the Cyber Assistant software will delay the determination of an organization's tax-exempt status if the application is incomplete; forcing the IRS to request additional information or return the application for completion.

7. Special circumstances

Not applicable.

8. Consultations

Periodic meetings are held between IRS personnel and representatives of various professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding the collection requirements under this notice.

In response to the Federal Register notice (77 FR 63423), dated October 16, 2012, we received no comments during the comment period regarding these proposed and temporary regulations.

9. Payments to respondents

Not applicable.

10. Confidentiality

All personnel are responsible for maintaining the confidentiality of all data collected via the application. Tax returns and tax return information generally are confidential as required by 26 USC 6103, and notice to this effect will be included on the application. All data collection will conform to IRS disclosure regulations.

11. Sensitive information

Not applicable. No information on personal issues of a sensitive nature will be requested or considered.

12. Estimated hour burden

The total respondent burden during this three year approval period is estimated not to exceed 600 hours. The estimate covers the time each respondent is expected to spend completing the form, including gathering the relevant information, filling out responses, returning the form to IRS and maintaining a file copy. There are no additional recordkeeping burdens imposed by this form, because responses should rely on materials that are already maintained as a “customary and usual” business practice. The frequency of data collection is only once per respondent.

Annual Respondents	100
Hours per Respondent	2
Annual Burden Hours	200
3-Year Burden	600

13. Estimated annual cost burden

As suggested by OMB, our Federal Register notice dated October 16, 2012, 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 responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time.

14. Annualized cost to the Federal government

Not applicable. Costs for personnel and operational expenses are already in place and are not contingent on this data collection. Therefore, there are no additional expenses associated with this data collection that would not have been incurred without this collection of information.

15. Program changes

There is no change in the burden previously approved by OMB. This submission is for renewal purposes only.

16. Plans for tabulation and publication

Not applicable. There are no plans for tabulation or publication of the information provided on the form.

17. Approval not to display expiration date

Displaying the expiration date may cause would-be applicants to delay filing the form if the three-year approval period is close to expiring or is being renewed.

18. Exceptions to the certification statement

Not applicable. The following paragraph applies to the collection of information in this submission:

The IRS may not conduct or sponsor data gathering efforts, and you are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form 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.