

**SUPPORTING STATEMENT**  
**OMB # 1545-0197**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code sections 401(a) and 501(a), respectively, set out requirements for qualification of employee benefit trusts and the tax exempt status of these trusts. The requirements of sections 401(a) and 501(a) (and the regulations there under) are reviewed by the IRS for retirement plans submitted on Form 5300.

2. USE OF DATA

The form provides the IRS with the information necessary to verify that the sponsor (employer) has a qualified plan and may make tax deductible contributions to it.

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

We have attempted to minimize the burden on small businesses or other small entities wherever possible.

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 comment regarding Form 5300.

In response to the *Federal Register* notice dated September 25, 2013 (78 FR 59098), we received no comments during the comment period regarding Form 5300.

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

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 5300	85,000	84.72	7,201,200

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 September 25, 2013, (78 FR 59098), 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 the

cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation within the IRS, we have determined the cost of developing, printing, processing, distribution, and overhead for Form 5300 is \$340,243. Even though Schedule Q is now obsolete in accordance with Revenue Procedure 2012-6, the Form 5300 processing costs are estimated to remain the same.

15. REASONS FOR CHANGE IN BURDEN

The requirement to indicate whether certain qualifications relating to minimum participation, coverage, and nondiscrimination are to be considered in conjunction with an application for determination letter under Schedule Q has been eliminated by Announcement 2011-82 and reflected in Revenue Procedure 2012-6. The Schedule Q is now obsolete in accordance with Revenue Procedure 2012-6. The reduction of 100,000 responses and 4,232,000 burden hours is attributed to this program change.

The increase of burden for Form 5300 is based on the increased number of attachments and other items of the Form 5300 in accordance with Revenue Procedure 2012-6. Even though Schedule Q was eliminated, Form 5300 added 45 lines and 10 attachments to the burden and subtracted 46 Code references due to Announcement 2011-82 and reflected in Revenue Procedure 2012-6. The increase in the time per respondent resulted in an increase of 1,795,200 burden hours associated with this program change.

The program changes identified above resulted in a total burden reduction of 2,436,800 hours; for 7,201,200 burden hours requested this submission.

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

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.