

Subject: OMB Proposal Clearance Request – Follow-up Summary Report

You recently submitted an OMB clearance request for a Compliance Check Questionnaires that was approved OMB approval number 1545-2071. As a requirement, a summary report to include the information below should be submitted to our office, Special Products Section, Tax Forms & Publications Division, within 60 days after the completion of survey questionnaires. **Please provide a brief summary (1-2 pages/outline format). Do not include tables, graphs, charts, etc., since they are not included in the report to OMB.**

- 1) **OMB #:** 1545-2071
- 2) **Title of Study:** Online Qualified School Construction Bonds Questionnaire (QSCB)
- 3) **Purpose:** The primary objective was to identify the overall knowledge of issuers of tax-advantaged bonds relating to the federal tax requirements imposed on QSCBs. The requirements include those found in §54F of the Code as well as other applicable requirements relating to post-issuance compliance and record retention.
- 4) **Findings:** Overall, respondents indicated that they maintain a variety of procedures to ensure compliance with federal tax law requirements related to the issuance and post-issuance compliance of their QSCBs.

A majority (94%) of the respondents reported they had procedures to review the structure of their QSCBs prior to issuance. Of the respondents that did have such procedures, 79% indicated the procedures were implemented 1-3 years prior to the receipt of the invitation to participate in the project; however only 55% of respondents indicated that these procedures were written.

A majority (82%) of respondents indicated they had procedures to monitor compliance with Federal tax requirements during the term of the bonds to ensure noncompliance is timely identified and corrected, and 69% of respondents indicated their post issuance procedures were written.

A majority (77%) of the respondents reported having procedures to determine the issue price of the QSCBs and 79% of those with such procedures indicated they were implemented 1-3 years prior to the receipt of the questionnaire.

A majority (97%) of the responding respondents indicated that they maintained books and records necessary to support the tax credit status of their QSCBs.

- 5) **Actions taken or lessons learned:** The majority of respondents recognize the importance of effective compliance procedures related to their QSCB issuances. However, the responses indicate divergent practices in the implementation of such compliance procedures. Gaps in record maintenance, written procedures, and

compliance practice may result in noncompliance and may increase risk of noncompliance. Our examination experience suggests that the adoption and consistent utilization of formal compliance procedures and practices generally improves the likelihood of overall compliance.

The QSCB Questionnaire responses indicate that a majority (ranging from 66% to 79%) of those who responded in the affirmative to having procedures addressed in the Questionnaire implemented those procedures 1 to 3 years prior to receiving the Questionnaire. This suggests that education and outreach efforts emphasizing the importance of pre- and post-issuance procedures is having a positive effect with the bond community.

- 6) **Total Number of requests** (questionnaires sent) **or attempts for taxpayer participation:** 111
- 7) **Total Number of questionnaires returned or participants in focus group, etc.:** 107
- 8) **Date the data collection began** (date only): April 23, 2012
- 9) **Date the data collection ended** (date only): July 30, 2012
- 10) **Response Rate:** 96.4%
- 11) **Actual Burden Hours: Need Burden Hours:** (Estimated 15 hours by 107 responses) Estimated total of 1,605 hours.
- 12) **Cost:** N/A

**The above information is needed to prepare a report requested by OMB that explains what was accomplished during the OMB clearance period under which these surveys were approved.** The information you provide should not exceed two pages, if possible. If you have any questions, please contact me at (202) 622-3634 or [Rjoseph.Durbala@irs.gov](mailto:Rjoseph.Durbala@irs.gov).