

**SUPPORTING STATEMENT**  
**(Publication 3319)**  
**OMB # 1545-1648**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Public Law 105-206, Section 7526, Low-Income Taxpayer Clinics, of July 22, 1998 (See Attachment A), authorizes the Internal Revenue Service (IRS) to provide matching grant funds for the development, expansion, or continuation of qualified low income taxpayer clinics. Low income taxpayer clinics are charged with providing representation, education, and advocacy to low income taxpayers and individuals who speak English as a Second Language (ESL). The Taxpayer Advocate Service (TAS), an independent organization within the IRS, oversees the program via the Low Income Taxpayer Clinic (LITC) Program Office. In order to award these grants, TAS must objectively assess grantee applications. The LITC Program Office annually issues Publication 3319, *Grant Application Package and Guidelines*, which includes instructions for applying for an LITC grant, as well as standards and guidelines for operating a low income taxpayer clinic. The required application forms include Office of Management and Budget Standard Form 424 and Standard Form 424A. In addition, the LITC Program Office requires supplemental information to be provided on IRS forms to allow reviewers to evaluate the applications accurately and objectively. Applicants approved for funding must submit an interim and year-end report detailing the activities of the LITC during the respective period.

**2. USE OF DATA**

The LITC Program Office and a ranking panel composed of TAS employees provide an independent review of grant applications, using information supplied on application forms to evaluate and award grants for low income taxpayer clinics. Information supplied in interim and year-end reports is analyzed to review program performance and compliance with the terms and conditions of the LITC grant award. Interim and year-end reports are also analyzed to identify areas where the LITC Program Office can provide additional support or guidance and to identify systemic issues facing low income and ESL taxpayers. Also, information provided in reports will be used to create IRS Publication 5066, *LITC Program Report*.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

TAS now requires all applicants to apply for a grant or continued funding electronically using grants.gov or grantsolutions.gov. Interim and year-end reports are likewise submitted through grantsolutions.gov. This change was made in an effort to reduce the burden on respondents and to comply with Public Law 106-107, The Federal Financial Assistance Management Improvement Act of 1999, of November 20, 1999. Grants.gov was established as a governmental resource named the E-Grants Initiative, part of the President's 2002 Fiscal Year Management Agenda to improve government services to the public. Grantsolutions.gov is a comprehensive grants management system available to all Federal grant-making agencies as part of the Grants Management Line of Business (GMLOB) initiative. The GMLOB is a multi-agency initiative sponsored by the Office of Management and Budget under Public Law 106-107 and the President's Management Agenda. The goal of the GMLOB is to develop a government-wide solution that supports end-to-end grants management activities promoting citizen access, customer service, and agency financial and technical stewardship.

**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**

TAS has made every effort to minimize the burden on small entities, by utilizing Standard Form 424, Standard Form 424A, and streamlining the application process. LITCs are generally academic institutions and organizations described in IRC § 501(c) and exempt from tax under IRC § 501(a); therefore no burden is placed on small businesses.

**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**

In response to the *Federal Register* Notice dated May 15, 2014 (79 FR 94), we received no comments during the comment period regarding Publication 3319.

**9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

Not applicable.

**10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

The grant applications and subsequent records are available to the general public under the Freedom of Information Act (FOIA) of 1966.

**11. JUSTIFICATION OF SENSITIVE QUESTIONS**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Business Master File (BMF)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for taxpayer identifying numbers in IRS systems.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Applicants are required to provide detailed programmatic and budget information as specified in the application forms. Applicants must include narrative information about experience providing services to low income and ESL individuals, financial responsibility and internal controls, staffing, taxpayer services, clinic operations, volunteers, training and resources, program monitoring and evaluation, numerical

goals, and mandatory civil rights disclosures. TAS estimates that 170 respondents will apply for a grant annually and they will spend 20 hours each, for a total burden of 3,400 hours.

Applicants that receive an LITC grant must submit an interim and year-end report, which includes a financial report, program narrative, and performance data. Required data include the number and types of controversy cases worked, identification of tax issues in controversy, controversy case outcomes, number of consultations, number of outreach activities, number of educational activities and taxpayers reached, volunteer activities, and other advocacy activities. TAS estimates that 140 respondents will submit an interim and year-end report and they will spend 40 hours each, for a total burden of 5,600 hours.

The total burden is estimated to be 9,000 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**

As suggested by OMB, our *Federal Register* Notice dated March 10, 2014 (79 FR 13390), 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**

We estimate the total annualized cost to the Federal government to be \$404,500 which includes \$4,500 for printing and design, and \$400,000 for operations and maintenance fees related to Grants.gov and Grantsolutions.gov.

### **15. REASONS FOR CHANGE IN BURDEN**

The change in the paperwork burden previously approved by OMB results from two factors: (1) a more realistic estimate of the number of applicants and grantees based on actual experience from recent years and (2) the adoption of performance measures as recommended by

the Treasury Inspector General for Tax Administration. We are making this submission to renew and update the OMB approval.

**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 applicants and grantees to believe that the information collection will sunset as of the expiration date. They 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 OMB approval 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.