

SUPPORTING STATEMENT
OMB 1545-1100
(REG-209106-89/IA-111-86)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Code section 74(b)(3) provides that a prize or award must be transferred to a qualified organization pursuant to a designation in order for the award recipient to exclude the item from income.

2. USE OF DATA

The Internal Revenue Service will require substantiation of the above information to ensure that the statutory limitations and/or requirements have been complied with.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission.

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

We have been unable to reduce the burden for small businesses.

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

A notice of proposed rulemaking (NPRM) was published in the Federal Register on January 9, 1989 (54 FR 627). At that time, a 60-day period was given in which to review and provide public comments relating to any aspect of the proposed regulation. A public hearing was held on June 2, 1989.

In response to the **Federal Register Notice dated September 19, 2014 (79 FR 56435)**, we received no comments during the comment period regarding REG-209106-89/IA-111-86.

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 PII is being collected by this information collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Regulation section 1.74-1 (c) finds its source in Code section 74 (b)(3). This Code section provides that a prize or award be transferred to a qualifying organization pursuant to a written designation made by the recipient. Regulation section 1.74-1 (c) provides the form and manner for making a designation. We estimate that this will affect 5,100 recipients and that it will take them 15 minutes to complete the requirements. The estimated total annual burden is projected to be 1,275 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 September 19, 2014 (79 FR 56435)**, 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

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew 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 taxpayers to believe that the regulation 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.