

Supporting Statement
OMB# 1545-1041
T.D. 8316

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 216(b)(3)(B)(ii) of the Internal Revenue Code of 1986 allows cooperative housing corporations to allocate to each tenant-stockholder a portion of the interest or real estate taxes or both that reasonably reflects the cost of these items to the corporation attributable to each tenant-stockholder's dwelling unit (and each unit's share of the common areas), the corporation may make an election under which the tenant-stockholder's proportionate share of the corporation's interest or real estate taxes will equal the amount or amounts separately allocated. The regulations incorporate the procedure for making this election that was prescribed in the temporary regulations under § 5h.5 (relating to elections under the Tax Reform Act of 1986). Those temporary regulations relating to this election will be superseded by these regulations. In the absence of such a one-time election, such costs are allocated proportionally among the tenant-stockholders based on the number of shares held in the corporation.

2. USE OF DATA

The election statement will be used by the Internal Revenue Service to determine which cooperative housing corporations have made this election. "To make the election under section 216(b)(3)(B), the regulations provide that the cooperative housing corporation must furnish to each tenant-stockholder a written statement showing the amount of real estate taxes or interest (or both) allocated to the tenant-stockholder by January 31 of the year following the first calendar year that includes any period to which the election applies. The January 31 deadline for making the election coincides with the deadline under section 6050H(d) and (g) imposed upon the cooperative for furnishing a statement to each tenant-stockholder of the total mortgage interest received from each tenant-stockholder."

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, 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 wherever possible within the agency.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There are no methods to minimize burden on small businesses or small entities.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Consequences of less frequent collection on federal programs or policy activities would consist of: decreased amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

On May 27, 1988, the *Federal Register* published proposed amendments (LR-102-86) to the Income Tax Regulations (53 FR 19,312) under section 216 of the Internal Revenue Code of 1986. A public hearing was not requested and none was held. Several written comments were received. After consideration of all the written comments, the proposed amendments were adopted as final regulations (T.D. 8316) and published in the *Federal Register* on October 17, 1990 (55 FR 42,003).

We received no comments during the comment period in response to the *Federal Register* notice dated February 11, 2015 (80 FR 7684).

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

No payment or gift has been provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and return information are confidential as required by 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Burden Estimation:

Section 1.216-1(d)(2) of this regulation allows an election to be made by cooperative housing corporations. We estimate that approximately 2,500 such elections will be made and that it will take approximately .50 hours to complete an election. The total burden for this citation is 1250 hours.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no estimated total annual cost burden to respondents.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no estimated annualized cost to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There was a change in burden due to an adjustment to correct an error previously reported in the estimated time per respondent. This estimate should have been .50 hours instead of .25 hours, the burden increased 625 hours, for a total annual burden hours of 1,250.

We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

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

There are no exceptions to the certification statement for this collection.

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.