

SUPPORTING STATEMENT
(Revenue Procedure 2005-50)
OMB # 1545-1952

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This revenue procedure prescribes how an eligible educational institution may obtain automatic consent from the Service to change its method of reporting under section 6050S of the Code and the Income Tax Regulations. For calendar years beginning after December 31, 2003, an eligible educational institution must elect to report either the aggregate amount of payments received, or the aggregate amount billed, for qualified expenses during the calendar year for students enrolled for any academic period. Section 1.6050S-1(b)(1) of the regulations provides that once an eligible educational institution elects to report either amounts billed, or payments received, it must continue to use the same method of reporting for all subsequent calendar years for which it is required to file information returns, and furnish information statements, unless permission is granted to change its reporting method. An eligible educational institution that complies with all of the provisions of this revenue procedure has obtained consent to change its method of reporting as required by section 1.6050S-1(b)(1) of the regulations.

2. USE OF DATA

An eligible educational institution must notify the Service of its change in reporting method under the revenue procedure by submitting a written statement. The written statement must include a prominent reference to this revenue procedure and must contain the following information:

1. The eligible educational institution's name and Employer Identification Number (EIN);
2. All locations and branch campuses included in the educational institution (and their EINs);
3. The method of reporting under section 6050S and the regulations to which the eligible educational institution, including all its locations and branch campuses, is changing;
4. The calendar year for which the change in reporting is effective;
5. A statement as to whether the eligible educational institution, or any of its locations and branch campuses, has changed its method of reporting within the four year period preceding the year of the change, and if so: (a) the calendar year of the previous change, and (b) an explanation of extraordinary circumstances. This would require records to be kept for five years of any change in reporting.

Pursuant to section 1.6050S-1(b)(1) of the regulations, the consent of the Service is granted to an eligible educational institution, including all its locations and branch campuses, to change its method of reporting under section 6050S and the regulations for the calendar year in which the institution timely submits the written statement.

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**

There are no small entities affected by this collection..

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

If the IRS did not collect this information, the IRS would not be able to ensure an appropriate change is implemented and compliance under regulations is maintained. Therefore, if an institution does not notify the Service of its change in reporting method, tax penalties and restrictions may be imposed.

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

There are no special circumstances reporting 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**

This Revenue Procedure 2005-50 was published in the Internal Revenue Bulletin (2005-32 I.R.B. 272), on August 8, 2005.

In response to the Federal Register notice dated June 18, 2015, (80 FR 34962), we received no comments during the comment period regarding Rev. Proc 2005-50.

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 tax 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

The likely respondents are nonprofit institutions. The estimated total annual recordkeeping and reporting burden is 300 hours. The estimated annual recordkeeping and reporting burden per respondent is 10 hours. The estimated number of annual respondents is 30.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up costs associated with this collection.

14. ESTIMATED ANNUAL COST TO THE FEDERAL GOVERNMENT

There are no known annualized costs to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

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 REQUIREMENT OF OMB FORM 83-I

No exceptions.

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 information are confidential, as required by 26 U.S.C. 6103.