

**SUPPORTING STATEMENT**  
**Build America Bonds and Direct Payment**  
**Subsidy Implementation**  
**Notice 2009-26**  
**1545-2143**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 1531 of Division B of the American Recovery and Reinvestment Act of 2009 (Recovery Act) added new section 54AA to the Internal Revenue Code which provides State and local governments with the option to issue taxable "Build America Bonds" to finance governmental purposes. Issuers of these bonds can elect to receive a refundable credit from the Federal government equal to a percentage of the interest payable on these bonds on each interest payment date. We are asking State and local governmental issuers of Build America Bonds to report the issuance of the bonds on an existing IRS form 8038-G (OMB #1545-0720) and to provide debt service schedules that show the expected dates and amounts of interest that the issuers expect to receive from the Federal government over the life of the bonds.

**2. USE OF DATA**

The information that is collected will be used to provide an estimate of the payments that the Federal government will be required to make over the life of the bonds.

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

There are no plans to provide electronic filing of statements because of the low volume compared to the cost of electronic enabling.

**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**

The information that is collected will be used to provide an estimate of the payments that the Federal government will be required to make over the life of the bonds. The debt service schedules show the expected dates and amounts of interest that the issuers expect to receive so that the government can meet the obligation of issuing the direct payments.

### **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**

This Notice was published in the Internal Revenue Bulletin on April 20, 2009 on page 833.

We received no comments during the comment period in response to the **Federal Register** notice dated September 21, 2015 (80 FR 57050).

### **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 USC 6103.

### **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 Treas/IRS 24.046 BMF, and Treas/IRS 34.047 audit trail and security records. The Internal Revenue Service PIAs can be found at

<https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>

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 social security numbers (SSNs) in IRS systems.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

The Notice requests issuers (State and local governments) of Build America Bonds to report the issuance of the bonds on an existing IRS Form 8038-G and to attach debt service schedules if issuers elect to receive direct payments of the refundable credit from the Federal government. Burden for Form 8038-G is currently being reported under OMB number 1545-0720.

The following estimates only pertain to the debt service schedules:

We estimate the total number of respondents to be 1,000 and the total annual responses to be 5,000.

We estimate it will take 3 hours to comply, with a total burden of 15,000 hours.

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

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

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

There is no annualized cost to the Federal Government.

**15. REASONS FOR CHANGE IN BURDEN**

There were no changes made to the document that resulted in any change to the burden previously reported to OMB.

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**

See below.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions to the certification statement.

**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.

**OMB EXPIRATION DATE**

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at

their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.