

SUPPORTING STATEMENT
OMB# 1545-0940
(LR-185-84)

CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 103(b)(6)(D) of the Internal Revenue Code of 1954 authorizes the Secretary of the Treasury to prescribe by regulations the time and manner in which the issuer of a tax-exempt small issue of industrial development bonds must make an election to increase from \$1 million to \$10 million (including certain capital expenditures), the legal limitation upon the size of such tax-exempt small issue. Exceeding such limitation makes the bond issue taxable.

Pursuant to that authorization the Internal Revenue Service on July 31, 1972 promulgated Treasury Decision 7199, which among other things implemented section 1.103-10(b)(2)(vi) imposing the requirements that an election statement be filed by the bond issuer with the director of the Internal Revenue Service Center with whom the principal user of the facility financed by such bond issue files his tax return, and that each principal user should file an annual capital expenditure statement with the director of the Internal Revenue Service Center with whom he files his tax return. This Treasury decision liberalizes the filing requirements for the \$10 million election. Issuers of small issues of exempt industrial development bonds are not required to file a statement with the Service in order to raise the small issue limitation to \$10 million. Instead, bond issuers note their election under section 103(b)(6)(D) on their books or records.

This Treasury decision also eliminates the requirement in section 1.103-10(b)(2)(vi) that principal users of facilities financed by certain small issues of tax-exempt industrial development bonds file annual supplemental capital expenditure statements concerning such facilities.

USE OF DATA

The notation in the books or records of the bond issuers will be used by the Internal Revenue Service to indicate that the \$10 million election, required by section 103(b)(6)(D), was made.

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.

EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The burden on small businesses and entities has been reduced by eliminating the requirement that supplemental capital expenditure statements be filed by the principal users of facilities financed by the small issues of industrial development bonds.

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

Consequences of less frequent collection on federal programs or policy activities could result in a decrease in the 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

The final regulation was published in the Federal Register on May 2, 1986. The regulation was sent to OMB and was approved prior to publication.

We received no comments, during the comment period, in response to the **Federal Register Notice** dated December 15, 2015 (80 FR 77700).

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)” and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 – Electronic Filing Records; IRS 24.030 – Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's can be found at <http://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

Section 1.103-10(b)(2)(vi) of the Income Tax Regulations requires issuers of certain small issues of tax-exempt industrial development bonds to make a notation in their books and records. We estimate that about 10,000 bond issues a year will require the notation, which would take approximately .1 hour to make, for a total annual burden of 1,000 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

There is no estimated annualized 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 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

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 ON OMB FORM 83-I

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.