

**Supporting Statement**  
**Authorized Cyber Assistant Host Application**  
**OMB# 1545-2170**

**1. Circumstances necessitating collection of information**

The IRS will be creating a web-based software program, referred to as Cyber Assistant, that will guide applicants for tax-exempt status through the preparation of Form 1023, *Application for Recognition of Exemption under Section 501(c)(3)*. The program, similar to tax preparation software, ensures that an application is complete before allowing the applicant to print out a PDF version of the completed Form 1023 for submission to the IRS. As the Forms 1023 completed using Cyber Assistant will not be electronically transmitted to the IRS, bar codes included on applications completed via Cyber Assistant will allow the IRS to scan the complete Form 1023 upon receipt from the applicant, making all of the data available electronically instead of the limited number of items that are currently transcribed from standard paper applications.

The IRS does not have the ability to host the Cyber Assistant software on its own website; therefore, it needs to partner with businesses to host the software on their websites. The information on the Authorized Cyber Assistant Host Application (“application”) is needed to assist in determining whether the applicant is qualified to host the Cyber Assistant software.

**2. Use of data**

The IRS will evaluate the information on this application to assist in determining whether an applicant meets the qualifications to become an Authorized Cyber Assistant Host.

**3. Use of improved information technology to reduce burden**

The collection of this information does not involve the use of automated, electronic, mechanical or other technological collection techniques. The form is returned to the IRS in a paper format. Electronic filing, which is a valuable tool for reducing the burden of recurring IRS filing requirements, is not suitable to this one-time information collection. Therefore, the underlying costs of designing and using electronic data collection tools would exceed any potential burden savings.

**4. Efforts to identify duplication**

This form asks for information that is not available to the IRS through any other means.

**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 inability to collect this information will significantly hinder, if not completely eliminate, the IRS' ability to launch the Cyber Assistant software, because it will be unable to select participants for the Cyber Assistant Program. The inability to launch the Cyber Assistant software will delay the determination of an organization's tax-exempt status if the application is incomplete; forcing the IRS to request additional information or return the application for completion.

**7. Special circumstances requiring data collections to be inconsistent with guidelines on 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.**

In response to the Federal Register notice (81 FR 19713), dated April 5, 2016, we received no comments during the comment period regarding these proposed and temporary regulations.

**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**

All personnel are responsible for maintaining the confidentiality of all data collected via the application. Tax returns and tax return information generally are confidential as required by 26 USC 6103, and notice to this effect will be included on the application. All data collection will conform to IRS disclosure regulations.

**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**

The total respondent burden during this three year approval period is estimated not to exceed 600 hours. The estimate covers the time each respondent is expected to spend completing the form, including gathering the relevant information, filling out responses, returning the form to IRS and maintaining a file copy. There are no additional recordkeeping burdens imposed by this form, because responses should rely on materials that are already maintained as a “customary and usual” business practice. The frequency of data collection is only once per respondent.

Annual Respondents	100
Hours per Respondent	2
Annual Burden Hours	200
3-Year Burden	600

**13. Estimated annual cost burden**

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

**14. Annualized cost to the Federal government**

Costs for personnel and operational expenses are already in place and are not contingent on this data collection. Therefore, there are no additional expenses associated with this data collection that would not have been incurred without this collection of information.

**15. Reasons for change in burden**

There is no change in the burden previously approved by OMB. This submission is 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.**

See attachment.

**18. Exceptions to the certification statement on OMB Form 83-I**

There are no exceptions to the certification statement.

The following paragraph applies to the collection of information in this submission:

The IRS may not conduct or sponsor data gathering efforts, and you are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form 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.