

SUPPORTING STATEMENT
Forms 8038, 8038-G, and 8038-GC
OMB No. 1545-0720

• **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Issuers of certain tax-exempt bonds are required to submit information returns to the Secretary of the Treasury in order for the obligations to retain their tax-exempt status. The Tax Reform Act of 1986 revised the reporting rules and extended them to cover all issues of all tax-exempt bonds. Code section 149(e) applies to all tax-exempt bonds issued after December 31, 1986. The information reported must be submitted to the Secretary not later than the 15th day of the second calendar month after the close of the calendar quarter in which the obligation is issued.

The Code provides a detailed list of the information required to be submitted. For the most part, the information required by Forms 8038, 8038-G, and 8038-GC is specifically required by statute.

• **USE OF DATA**

The information will be used to calculate the revenue loss from tax-exempt bonds; to project the expected future volume of private purpose bonds; and to determine whether the current uses of tax-exempt bonds merit continued Federal assistance.

• **USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling.

• **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**

There are no small entities affected by this collection.

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

The Tax Reform Act of 1986 revised the reporting rules and extended them to cover all issues of all tax-exempt bonds. Code section 149(e) applies to all tax-exempt bonds issued after December 31, 1986. The information reported must be submitted to the Secretary not later than the 15th day of the second calendar month after the close of the

calendar quarter in which the obligation is issued.

Failure to collect the information will prevent taxpayers from providing the necessary information to comply with the current tax laws.

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**

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Forms 8038, 8038-G, and 8038-GC.

In response to the **Federal Register** Notice (81 FR 70277), dated October 11, 2016, we received no comments during the comment period regarding Forms 8038, 8038-G, and 8038-GC.

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:

Treas/IRS 24.046 BMF

Treas/IRS 34.047 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 burden estimate is as follows:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 8038	3,816	51.30	195,761
Form 8038-G	23,675	21.93	519,193
Form 8038-GC	<u>12,000</u>	10.87	<u>130,440</u>
	39,491		845,394

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0720 to these regulations.

1.103-A-2(1)	1.148-1 through 1.148-8	
1.103-A-2(k)(2)	1.149(e)-1T	5f.103-1, 2 and 3
1.103A-2(K)(1)	1.103-15AT(d)	6a.103A-2 and 3
1.103A-2(m)	1.127-2	

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the forms(s). The justification appearing in Item 1 of the supporting statement applies both to these regulations and to the form(s).

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice dated October 11, 2016, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing Forms 8038, 8038-G and 8038-GC. We estimate that the cost of printing the form is \$7,051.

15. REASONS FOR CHANGE IN BURDEN

There are no changes to 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

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.