

Internal Revenue Service
SUPPORTING STATEMENT
OMB 1545-1937
NOTICE 2005-41

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The notice explains the rules under §§ 170(e)(1)(B)(iii) and 170(m), as added by the American Jobs Creation Act of 2004, governing charitable contributions of intellectual property made after June 3, 2004. Section 170(e)(1)(B)(iii) provides that a taxpayer's initial charitable contribution deduction for a contribution of intellectual property is limited to the lesser of the fair market value of the property or the taxpayer's adjusted basis of the property. Certain additional charitable contribution deductions may be allowed under § 170(m) if the donor provides notification to the donee at the time of the contribution of the donor's intent to take the additional deductions. The notice explains the method by which a donor of qualified intellectual property may notify the donee that the donor intends to treat the contribution as a qualified intellectual property contribution under § 170(m) and sets forth rules for the timing of the notification.

2. USE OF DATA

This is a third-party disclosure requirement. Donors of qualified intellectual property will use the required notification as evidence that they have satisfied the § 170(m) notification requirement.

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. IRS intends to offer electronic filing to the extent it is practicable however in this case it isn't practicable because of the evaluative nature of the determination.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There is no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity.

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

Donors of qualified intellectual property will use the required notification as evidence that they have satisfied the § 170(m) notification requirement. A less frequent collection would result in the IRS not being able to verify the notification requirements.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 C.F.R. 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

Notice 2005-41 was published in the IRB on July 6, 2005 (2005-23 IRB 1203).

We have received no comments during the comment period in response to the **Federal Register** notice dated October 17, 2017 (82 FR 48314).

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No gifts or payments are being 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 sensitive personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The notice explains the method by which a donor of qualified intellectual property may notify the donee that the donor intends to treat the contribution as a qualified intellectual property contribution under § 170(m). Approximately 30 taxpayers each year donate qualified intellectual property and will be required to comply with the § 170(m) notification requirement to obtain the statute's income tax benefits. The compilation of information for the required notification should take approximately one hour each year. Total burden hours requested is 30.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC 170(m)	Notice to donee	30	1	30	1	30
Totals				30		30

13. ESTIMATED ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

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

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the statutory provisions in § 170(m) sunset 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

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