

SUPPORTING STATEMENT

Internal Revenue Service

Notice 2017-XX

Notice Regarding Certain Church Plan Clarifications under Section 336 of the PATH Act
OMB Control No. 1545-XXX

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Under sections 414(c)(2)(C) and (D), an election may be made to aggregate or disaggregate certain churches and church-related organizations, respectively. Under these provisions, if the election is revoked, a notice must be "provided to the Secretary in such manner as the Secretary shall prescribe." The draft notice describes how taxpayers provide this notice.

2. USE OF DATA

The IRS may use this information if it audits a church-related organization regarding the nondiscrimination requirements.

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. There are no plans to provide electronic filing for this collection of information in this submission because this is a record keeping requirement.

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

Consequences of less frequent collection of recordkeeping on federal programs or policy activities would delay the necessary requirements to the revocation to an election provided

under section 414(c)(2)(C) of the code; thereby endangering the IRS the inability to meet its mission.

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

IRS will publish a notice, in the Internal Revenue Bulletin in the near future soliciting public comments regarding this Notice -2017-XX.

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

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The estimated reporting burden estimates are:

Authority	Document	# Respondents	# Responses Per Respondent	Annual Responses	Time Per Response	Total Burden
414(c)(2) (C) and (D)	Notice 2017-XX	31	.07	3	2 hrs.	6.1hrs.

13. ESTIMATED TOTAL 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

This a new collection.

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 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

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.

19. EMERGENCY JUSTIFICATION

Notice 2017-XX, Notice Regarding Certain Church Plan Clarifications under Section 336 of the PATH Act is guidance that is an essential part of an administrative priority to eliminate burdens on certain churches and church-related organizations and the Service with respect to sections 414(c)(2)(C) and (D), an election may be made to aggregate or disaggregate certain churches and church-related organizations, respectively. Under these provisions, if the election is revoked, a notice must be "provided to the Secretary in such manner as the Secretary shall prescribe." The PATH Act does not prescribe specific rules for making or revoking elections under section 414(c)(2)(C) or (D). For this purpose, the generally applicable substantiation and recordkeeping requirements of section 6001, including requirements described in Rev. Proc. 98-25 (1998-1 CB 689), apply. Accordingly, to satisfy the statutory requirement that notice be provided to the IRS if an election made under section 414(c)(2)(C) or (D) is subsequently revoked, the entity authorized to revoke the election must provide a copy of the revocation upon request by the IRS. The IRS may use this information if it audits a church-related organization regarding the nondiscrimination requirements.

If clearance of the procedure is delayed, in addition to delaying these organizations, the process would be delayed for the necessary requirements to the revocation to an election provided under section 414(c)(2)(C) of the code.

We ask that OMB approve the collection of information on an expedited basis. The Notice Regarding Certain Church Plan Clarifications under Section 336 of the PATH Act will provide the guidance to the respondents in order to take all practicable steps to revocation to an election provided under section 414(c)(2)(C) of the code.