

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Low-Income Taxpayer Clinic Grant Application Package and Guidelines; Grant Website
Publication 3319
OMB Control Number 1545-1648

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Public Law 105-206, Section 7526, Low-Income Taxpayer Clinics, of July 22, 1998 (See Attachment A), authorizes the Internal Revenue Service (IRS) to provide matching grant funds for the development, expansion, or continuation of qualified low income taxpayer clinics. Low income taxpayer clinics are charged with providing representation, education, and advocacy to low income taxpayers and individuals who speak English as a Second Language (ESL). The Taxpayer Advocate Service (TAS), an independent organization within the IRS, oversees the program via the Low Income Taxpayer Clinic (LITC) Program Office. In order to award these grants, TAS must objectively assess grantee applications. The LITC Program Office annually issues Publication 3319, Grant Application Package and Guidelines, which includes instructions for applying for an LITC grant, as well as standards and guidelines for operating a low income taxpayer clinic. The required application forms include Office of Management and Budget Standard Form 424 and Standard Form 424A. In addition, the LITC Program Office requires supplemental information to be provided on IRS forms to allow reviewers to evaluate the applications accurately and objectively. Applicants approved for funding must submit an interim and year-end report detailing the activities of the LITC during the respective period.

2. USE OF DATA

The LITC Program Office and a ranking panel composed of TAS employees provide an independent review of grant applications, using information supplied on application forms to evaluate and award grants for low income taxpayer clinics. Information supplied in interim and year-end reports is analyzed to review program performance and compliance with the terms and conditions of the LITC grant award. Interim and year-end reports are also analyzed to identify areas where the LITC Program Office can provide additional support or guidance and to identify systemic issues facing low income and ESL taxpayers. Also, information provided in reports will be used to create IRS Publication 5066, LITC Program Report.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

TAS now requires all applicants to apply for a grant or continued funding electronically using grants.gov or grantsolutions.gov. Interim and year-end reports are likewise submitted through grantsolutions.gov. This change was made in an effort to reduce the burden on respondents and to comply with Public Law 106-107, The Federal Financial Assistance Management Improvement Act of 1999, of November 20, 1999. Grants.gov was established as a governmental resource named the E-Grants Initiative, part of the President's 2002 Fiscal Year Management Agenda to improve government services to the public. Grantsolutions.gov is a comprehensive grants management system available to all Federal grant-making agencies as part of the Grants Management Line of Business (GMLOB) initiative. The GMLOB is a multi-agency initiative sponsored by the Office of Management and Budget under Public Law 106-107 and the President's Management Agenda. The goal of the GMLOB is to develop a government-wide

solution that supports end-to-end grants management activities promoting citizen access, customer service, and agency financial and technical stewardship.

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

TAS has made every effort to minimize the burden on small entities, by utilizing Standard Form 424, Standard Form 424A, and streamlining the application process. LITCs are generally academic institutions and organizations described in IRC § 501(c) and exempt from tax under IRC § 501(a); therefore no burden is placed on small businesses.

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

The information required is needed to verify compliance with the Internal Revenue Code of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting 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

In response to the Federal Register notice dated May 18, 2018 (83 FR 23338), we received no comments during the comment period regarding this publication.

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 U.S.C. 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 IRS 24.046-Customer Account Data Engine Business Master File. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

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 taxpayer identifying numbers in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Applicants are required to provide detailed programmatic and budget information as specified in the application forms. Applicants must include narrative information about experience providing services to low income and ESL individuals, financial responsibility and internal controls, staffing, taxpayer services, clinic operations, volunteers, training and resources, program monitoring and evaluation, numerical goals, and mandatory civil rights disclosures. TAS estimates that 170 respondents will apply for a grant annually and they will spend 20 hours each, for a total burden of 3,400 hours.

Applicants that receive an LITC grant must submit an interim and year-end report, which includes a financial report, program narrative, and performance data. Required data include the number and types of controversy cases worked, identification of tax issues in controversy, controversy case outcomes, number of consultations, number of outreach activities, number of educational activities and taxpayers reached, volunteer activities, and other advocacy activities. TAS estimates that 140 respondents will submit an interim and year-end report and they will spend 40 hours each, for a total burden of 5,600 hours.

The total burden is estimated to be 9,000 hours. Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13.

Description	# Respondents	# Responses Per Respondent- Approximate	Total Annual Responses	Hours Per Response	Total Burden
Apply for a grant	170	1	170	20	3,400
submit an interim and year-end report	140	1	140	40	5,600
TOTAL	310		310		9,000

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

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized start up expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as; complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is \$404,500 which includes \$4,500 for printing and design, and \$400,000 for operations and maintenance fees related to Grants.gov and Grantsolutions.gov.

15. REASONS FOR CHANGE IN BURDEN

There have been no changes to the form or agency estimates that would affect burden.

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 regulations 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.