

SUPPORTING STATEMENT

Internal Revenue Service

Notice 2018-18

Notice Regarding Certain Church Plan Clarifications under Section 336 of the PATH Act
OMB Control No. 1545-2279

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 336(a) of the PATH Act amended section 414(c) by adding a new section 414(c)(2)(C). Under section 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, the “election, once made shall apply to all succeeding plan years unless revoked with notice provided to the Secretary in such manner as the Secretary shall prescribe.” However, the provisions do not require that the secretary be notified of any election under section 414(c)(2).

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 because electronic filing is not appropriate for the collection of information in this submission due to the requirement to attach the document of record.

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 in section III, under section 414(c)(2)(C) or (D) 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

In response to the *Federal Register* Notice (83 FR 56916) dated November 14, 2018, we received no comments during the comment period regarding Notice 2018-81.

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

Burden Estimation:

Under Section 414(c)(2)(C) and (D), Churches and church-related organizations are allowed to make elections to aggregate or disaggregate for this purpose under section 414(c)(2)(C) and (D), which were added to the Code by section 336(a) an election is made whereas:

- 610 churches have filed over the last 10 years, equaling 61 churches have filed annually

- and 5% will request the PATH Act (61 churches x .05= 3 churches), so annually that works out to be 3 churches per year:
 - The per response time is 2 hours per response
- Equaling = 3 churches per year X 2 hours of per response time = 6 hours of total annual burden hours.

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 2018-81	61	.05	3	2 hrs.	6.hrs.

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

The are no changes to the previously approved burden hours. However, changes to the responses were due to the previous calculations were done based on the total number of responses, instead of a percentage of the total number responses. Also, this collection is being submitted for an OMB approval.

	Requested	Program	Program Change Due	Change Due to Adjustments in	Change Due to	Previously Approved

		Change Due to New Statute	to Agency Discretion	Estimate/Responses	Potential Violation of the PRA	
Annual Number of Responses	3	0	0	-90	0	93

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.