

Supporting Statement
Internal Revenue Service
Form 4506-A, Request for Public Inspection or Copy of Exempt or Political
Organization IRS Form;
Form 4506-B, Request for a Copy of Exempt Organization IRS Application or
Letter
OMB Control number 1545-0495

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code section 6104 states that if an organization described in section 501(c) or (d) is exempt from taxation under section 501(a) for any taxable year, the application for exemption is open for public inspection. This includes all supporting statements, any letter or other documents issued by the IRS concerning the application, and certain annual returns of the organization. This information collection contains Form 4506-A, Request for Public Inspection or Copy of Exempt or Political Organization IRS Form, is used to request public inspection or a copy of these forms and Form 4506-B, Request for a Copy of Exempt Organization IRS Application or Letter.

2. USE OF DATA

The information is used by the IRS to identify and locate the exempt organization tax form being requested.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The Agency doesn't plan to offer electronic filing for F4506-A, this form will remain the paper option for taxpayers to request inspection or copies. Form 4506-B will allow taxpayers to electronically request copies of applications or letters.

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

Exempt or Political organizations must make their returns, reports, notices, and exempt applications available for public inspection. Consequences of Less frequent collection would not allow IRS to identify or locate exempt organization requested forms. In addition, Individuals can visit the organization to inspect the material instead of requesting it from the IRS. The Organization may be able to mail the copies to the requester. IRS can provide copies of exempt organization returns on USB Thumb drives or paper.

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

Form 4506-B will give taxpayers a digital option to request documents that are publicly disclosable under IRC 6104, IRS requests a waiver from the requirement to publish notice in the Federal Register seeking public comment during the period of Office of Management and Budget review.

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 IRS 24-046- CADE Business Master File; Treas./IRS 50.222 Tax Exempt/Government Entities TE/GE Case Management Records and IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at <https://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

Exempt or Political organizations must make their returns, reports, notices, and exempt applications available for public inspection. It is anticipated that there will be 20,000 respondents that respond once with a response time of 58 minutes totaling 19,400 annual burden hours.

The burden estimate is as follows:

<u>Form</u>	<u>Number of Respondents</u>	<u>Responses per Respondent</u>	<u>Annual Responses</u>	<u>Hours per Response</u>	<u>Total Burden</u>
Form 4506-A	8,000	1	8,000	.97	7,760
Form 4506-B	12,000	1	12,000	.97	11,640
Totals	20,000	1	20,000		19,400

The following regulations impose no additional burden:

301.6104(a)-1, 301.6104(a)-5, 301.6104(a)-6

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

Please continue to assign OMB number 1545-0495 to these regulations.

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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution, and overhead for Form 4506-A is \$13,670. With Form 4506-B being a new product, the associated cost will be included in the next collection renewal.

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 summarized in the table below.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>	<u>Printing and Distribution</u>	<u>Government Cost Estimate per Product</u>
Form 4506-A	\$10,936		\$10,936
Form Instructions 4506-A	\$2,734		\$2,734
Total	13,670		13,670
Table costs are based on 2020 actuals obtained from IRS Chief Financial Office and Media and Publications			
* New product costs will be included in the next collection update.			

15. REASONS FOR CHANGE IN BURDEN

There is no change to the paperwork burden previously approved by OMB. The creation of Form 4506-B is derived from the removal of line 9 from existing Form 4506-A. Therefore Form 4506-B doesn't impact the approved burden because it is only giving a digital option to information currently accounted for under Form 4506-A. Form 4506-B will allow taxpayers to electronically request copies of an application

for exemption, exemption determination letter or affirmation letter.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

1. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the notice 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 for this collection.

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.