

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Low-Income Taxpayer Clinic Grant Application Package and Guidelines; Grant Website
Publication 3319 and Form 13424, 13424-A, 13424-B, 13424-C, 13424-J, 13424-K, 13424-L, 13424-M,
13424-N, 13424-P, 13424-Q and Project Abstract Summary
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.

Form 13424, Low Income Taxpayer Clinic (LITC) Application Information. This form is used to report basic information about the applicant, including the amount and period of the grant requested, contact information for the applicant's sponsoring organization, the name and location of the clinic where services are provided, and key clinic staff members.

Form 13424-A, Low Income Taxpayer Clinic (LITC) General Information Report. This form is used to report information about certain work the clinic performed during the reporting period. This form is used to report all outreach activities, educational activities, consultations, referrals, tax return and other document preparation, volunteer activities, work performed by students, and professional education activities conducted during the reporting period.

Form 13424-B, Low Income Taxpayer Clinic (LITC) Case Issues Report. This form is required to be submitted by Low Income Taxpayer Clinic (LITC) Grantees as part of the Interim Report and Annual Report. Grantees are external customers, non-profits, legal aid societies, universities, law schools, and will be used by anyone in the US and territories that have been approved as grantees for a LITC Grant for controversy representation. This form is used to report issues worked by a clinic while representing taxpayers in controversy cases that were open at any time during the reporting period, including cases carried over from the previous grant year.

Form 13424-C, Low Income Taxpayer Clinic (LITC) Advocacy Information Report. This form is used to report information about certain advocacy work the clinic performed during the reporting period. This form is used to report all systemic advocacy issues submitted, written materials published, television and radio appearances made, and public service announcements aired during the reporting period.

Form 13424-J, Detailed Budget Worksheet and Narrative Explanations. This form must be submitted with all Full Grant Applications and NCC Requests for an LITC matching grant. This form is used to provide a detailed explanation for each spending category in the proposed budget for the LITC grant, including how federal grant funds and matching funds will be spent during the grant period.

Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report. This form is used to report information about the work performed by a clinic while representing taxpayers in controversy cases that were open at any time during the reporting period, including cases carried over from the previous grant year.

Form 13424-L, Statement of Grant Expenditures. This form is used to report how federal grant funds and matching funds were spent by the clinic during the reporting period. This form is also used to report a narrative explanation of how each expense amount was calculated and the sources and valuation of matching funds.

Form 13424-M, Low Income Taxpayer Clinic (LITC) Application Narrative. This form is a template for applicants to the Low Income Taxpayer Clinic (LITC) to complete the Background Information and Program Plan information required to be submitted with the application.

Form 13424-N, LITC Program Narrative Report. This form is used to report information about certain representation, education, and advocacy work the clinic performed during the reporting period. This form is used to report narrative explanations of the program plan, how the clinic is able to meet the requirements of the grant, trends in the types of cases encountered, and success stories of note that occurred during the reporting period. This form also provides an opportunity to supplement responses from other reporting forms included in the Interim and Year-End Report that relate to representation, education, and advocacy efforts. This form is also used to report the steps taken to resolve open cases and provide ongoing representation, where appropriate, for clinics that will no longer be participating in the LITC grant program in the next grant period.

Form 13424-P is an application form for special appearance authorization for students and law graduates working at a Low Income Taxpayer Clinic or Student Taxpayer Clinic Program. The form requests information about the supervisor of student representatives.

Form 13424-Q is an Information chart for law students and graduates requesting special appearance authorization from the Low Income Taxpayer Clinic Program Office (Program Office). The form requests names, academic institution, and relevant course studies.

Project Abstract Summary. The beginning of the form includes several basic identifying questions and total funding amounts. The bottom part is room for a narrative in which returning applicants are asked to list the four main goals for the coming grant year, any significant program plan changes, and responses to six civil rights questions. The form is submitted with the application by all returning clinics applying for year 2 or 3 of a multi-year grant. During the application stage, all funded clinics are required to submit the form but often only minimal changes are needed for the returning clinics who submitted it with the original application.

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.

Form 13424. The Program Office uses the information reported on this form to correspond with clinics and to publicize the location of service providers to taxpayers in IRS publications and online

Form 13424-A. The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers.

Form 13424-B. The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided by clinics. Data is also aggregated to provide program-wide statistical information about services provided to taxpayers who are low income and English as a Second Language (ESL).

Form 13424-C. The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers.

Form 13424-J, Low Income Tax Clinic (LITC) - Detailed Budget Worksheet & Narrative, is for use by applicants to the Low Income Taxpayer Clinic grant program. The form is intended to capture additional detail regarding the budget information reported on Standard Form 424A, Budget Information - Non-Construction Programs.

Form 13424-K. The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided and the breadth of work done by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers.

Form 13424-L, Statement of Grant Expenditures and Narrative Explanations. This is a form used to report how grant funds were expended through the grant cycle.

Form 13424-N. The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers.

Form 13424-P. The Program Office uses the information reported on this form and the other reporting forms to determine whether to grant special appearance authorizations that permit students and law graduate to provide pro bono representation under the supervision of a Low Income Taxpayer Clinic Director.

Form 13424-Q. The Program Office uses the information reported on this form and the other reporting forms to determine whether to grant special appearance authorizations that permit students and law graduate to provide pro bono representation under the supervision of a Low Income Taxpayer Clinic Director.

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 January 13, 2022 (86 FR 2240), IRS received no comments during the comment period regarding Publication 3319.

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 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 taxpayer identifying numbers in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The total burden is estimated to be 9,338 hours. The number of respondents, time per response, annual responses, and hours per response are broken down below:

Form		# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden Hours
Pub 3319	Low Income Taxpayer Clinics (LITC) Grant Application Package and Guidelines- reviewing this publication and the different sources cited therein, as well as the various assurances and certifications which are part of the application process.	130	1	130	5 hr	650
13424	Low Income Taxpayer Clinic (LITC) Application Information	140	.965	270	20 min	90
13424-A	Low Income Taxpayer Clinic (LITC) General Information Report	130	2	260	2 hr	5200
13424-B	Low Income Taxpayer Clinic (LITC)Case Issues Report	130	2	260	3 hr	780
13424-C	Low Income Taxpayer Clinic (LITC) Advocacy Information Report	130	2	260	30 min	130
13424-J	Detailed Budget Worksheet and Narrative Explanations	140	.965	270	1 hr 30 min	405
13424-K	, Low Income Taxpayer Clinic (LITC) Case Information Report	130	2	260	3 hr	780
13424-L	Statement of Grant Expenditures and Narrative Explanations	130	2	260	1 hr 30 min	390
13424-M	Low Income Taxpayer Clinic (LITC) Application Narrative	55	1	55	5 min	275
13424-N	LITC Program Narrative Report	130	2	260	1 hr 30 min	390
13424-P	Application For Special Appearance Authorization	50	3	150	30 min	75
13424-Q	LITC or STCP Student and Law Graduate Information Chart	50	3	150	30 min	75
	Project Abstract Summary	130	1.5	195	30 min	98
2,780	TOTAL BURDEN			2,780		9,338

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

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 are no changes to the paperwork burden previously approved by OMB. IRS is making this submission for renewal purposes.

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 publication 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.