

SUPPORTING STATEMENT
Internal Revenue Service
Election Involving the Repeal of the Bonding Requirement and
Notification of Increase of Tax under § 42(j)(6)
Rev. Procs. 2008-60; 2012-27
OMB Control Number 1545-2120

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Revenue Procedure 2008-60 provides guidance on how a taxpayer makes the election under section 3004(i)(2)(B)(ii) of the Housing Assistance Tax Act of 2008 (Act) if the taxpayer disposed of a qualified low-income building under §42 (or an interest therein) on or before July 30, 2008, and, under the former §42(j)(6) of the Internal Revenue Code, either furnished a surety bond to the Secretary, or established a Treasury Direct Account (TDA) funded with Treasury securities under Rev. Proc. 99-11, 1999-1 C.B. 275. If a taxpayer makes the election, the requirement for a surety bond or TDA account is terminated provided the taxpayer reasonably expects that the building will continue to be operated as a qualified low-income building for the remaining years of compliance period under §42(i)(1).

A taxpayer who seeks to make this election must follow election procedures prescribed under Section 4.01 of Rev. Proc. 2008-60. An election is a letter to the Internal Revenue Service (IRS) to include a statement affirming that the taxpayer reasonably expects that the building will continue to operate as a qualified low-income building for the remainder of the building's compliance period. The taxpayer must attach to this letter a copy of the Form 8693, "Low-Income Housing Credit Disposition Bond," that was approved by the IRS for the building, signature page only, and mail the letter and attached pages to the IRS.

Revenue Procedure 2012-27 applies to taxpayers that dispose of a low-income housing building (or interest therein) in a transaction to which the amendments made by section 3004(c) of the Act apply; and seek to make the notification prescribed by § 42(j)(6)(B)(i) of the Code of any increase in tax resulting from a reduction in the qualified basis of a low-income housing tax credit building in order to begin the 3-year statutory period for assessing a deficiency with respect to that taxpayer. To make this notification, a taxpayer must submit a letter to the IRS by following the procedures prescribed under Section 4.01 of Rev. Proc. 2012-27 and mail the letter to the address where the most current form 8609, "Low-Income Housing Credit Allocation and Certification," would be filed.

2. USE OF DATA

This information will be used by the IRS to determine which taxpayers are electing to terminate surety bonds or TDA accounts that they have already furnished or established with the IRS under the former § 42(j)(6). The information also will be used to determine whether a taxpayer is subject to recapture tax if there is a reduction in the qualified basis of the building during the remaining years of compliance period.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The IRS has no plans to offer electronic filing as these are narrative statements and recordkeeping requirements.

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

Small businesses should not be disadvantaged as the Rev. Procs. has been structured to request the least amount of information and still satisfy the requirements of the statute and the needs of the IRS.

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

A less frequent collection will not enable the IRS to meet its mission by determining which taxpayers are electing to terminate surety bonds or TDA accounts that they have already furnished or established with the IRS under the former § 42(j)(6) and to determine whether a taxpayer is subject to recapture tax if there is a reduction in the qualified basis of the building during the remaining years of compliance period.

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 March 4, 2025 (90 FR 11207), IRS received no comments during the comment period regarding these revenue procedures.

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

There is no sensitive personally identifiable information (PII) in this collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Rev. Proc. 2008-60: The reporting requirement is contained in section 4 of the revenue procedure. This information is required so that taxpayers may elect to terminate surety bonds or TDA accounts furnished or established under the former § 42(j)(6). The estimated annual burden per respondent is

1 hour. The estimated number of respondents is 7,800 for a total burden estimated to be 7,800 hours.

Rev. Proc. 2012-27: The reporting requirement is contained in section 4 of the revenue procedure. The information is required so that taxpayers may notify the IRS of any increase in tax resulting from a reduction in the qualified basis of a low-income housing tax credit building in order to begin the 3-year statutory period for assessing a deficiency with respect to that taxpayer pursuant to §42(j)(6)(B) (i) of the Code. The likely respondents are taxpayers that have disposed of a low-income building (or interest therein). The estimated total annual reporting burden is 10 hours. The estimated annual burden per respondent is 1 hour, depending on the individual circumstances. The estimated total number of respondents is 10.

Authority	Description	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
Rev. Proc. 2008-60	statement affirming that the taxpayer reasonably expects that the building will continue to operate as a qualified low-income building for the remainder of the building's compliance period	7,800	1	7,800	1 hr.	7,800 hours
Rev. Proc. 2012-27	submit a letter to the IRS by following the procedures prescribed under Section 4.01 of Rev. Proc. 2012-27	10	1	10	1 hr.	10 hours
TOTAL		7,810		7,810		7,810

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no start-up or maintenance cost to respondents for these statements and recordkeeping requirements.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no development or operating and maintenance costs to the Federal government for these narrative statements and recordkeeping requirements.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. IRS is submitting this collection for renewal purposes.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	7,810	0	0	0	0	7,810
Annual IC Time Burden (Hours)	7,810	0	0	0	0	7,810

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

The IRS believes that displaying the OMB expiration date is inappropriate because it would cause confusion by leading taxpayers to believe that the collections expire as of the expiration date. Taxpayers may not be aware that the IRS 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.