

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Low-Income Taxpayer Clinic Grant Application Package
OMB Control Number 1545-1648

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) Section 7526, Low-Income Taxpayer Clinics, 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 (Pub) 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 Standard Form 424¹. 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. Approved LITC grantees must submit an interim and year-end report detailing the activities of the LITC during the respective period. Grantees must also maintain records as detailed in Pub 3319. Respondents to these collections include 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.

Form 13424-F, Volunteer/Pro Bono Time Reporting. LITC grantees are required to track and keep records of the amount of time volunteers spend working on LITC activities. This form provides a template for the LITC grantees to track this time and keep these records. Grantees are required to track the volunteer time but are not required to use this template for tracking.

Form 13424-J, Detailed Budget Worksheet and Narrative Explanations. This form must be submitted with all Full Grant Applications and non-competing continuation (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-L, Statement of Grant Expenditures. This form is submitted by LITC grantees as part of the Interim and Year-End Reports. Grantees 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 LITC to complete the Background Information and Program Plan information required to be submitted with the application and includes the contact information for the clinic.

¹ SF-424 burden is approved by the Office of Management and Budget (OMB) under Control Number 4040-0004.

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. The form requests names, academic institution, and relevant course studies.

Form 13424-R is the Low-Income Taxpayer Clinic (LITC) Program Report. This form is submitted by LITC grantees as part of the Interim and Year-End Reports. The form is used to collect quantitative and qualitative data from grant recipients to help the program to assess a grantees implementation of the program for which they are funded.

2. USE OF DATA

The IRS 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 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

IRS TAS will collect the information from the forms on <https://litcgrants.treasury.gov>. This online system is being developed and the screenshots when available will be included within future versions of the Pub 3319.

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 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 grant performance data could adversely affect

the government's effectiveness in providing monitoring and oversight of grantees receiving public monies and hinder the LITC Program Office from meeting its responsibilities.

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 21, 2025 (90 FR 13405), IRS received 2 comments during the comment period regarding Low-Income Taxpayer Clinic Grant Application Package.

IRS received 2 public comments from the Temple University Beasley School of Law Low Income Taxpayer Clinic (LITC) and the American Bar Association. The commenters expressed support for IRS consolidating, streamlining, and simplifying the application and reporting requirements. IRS appreciates the commenters support.

Temple University Beasley School of Law LITC also recommended simplifying Forms 13424-A, K, N, B, and C for the 2026 Grant Year. IRS has reached out the commenter to inform them of the upcoming changes pending OMB approval.

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. Data collected is used in the aggregate to demonstrate the results achieved by the LITC program. The LITC Program office when requesting data requires that no data be provided that would enable it to be traced back to an individual taxpayer or their specific problem.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Salesforce Grants Management System" and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 00.003 - Taxpayer Advocate Service and Customer Feedback and Survey Records. 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 number of respondents, time per response, annual responses, and hours per response are broken down below. IRS estimates that 75 new grant applications are received within a year and there are around 140 grantees filing reports (twice for the interim and year-end reports) annually. IRS received approximately 150 applications to authorize student and law graduates to practice within a given year.

Title	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden Hours
Pub 3319 and 13242-F (recordkeeping)	140	1	140	5 hours	700
13424-J (interim/year-end reports)	140	2	280	1 hour 30 minutes	420
13424-L (interim/year-end reports)	140	2	280	1 hour 30 minutes	420
13424-M (grant application)	75	1	75	4 hours	300
13424-P (special appearance authorization)	150	1	150	30 minutes	75
13424-R (interim/year-end reports)	140	2	280	2 hours 30 minutes	700
13424-Q (special appearance authorization)	150	1	150	30 minutes	75
Total	935		1,355		2,690

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no start-up or maintenance costs to respondents for this collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Cost estimate for product development is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized startup expenses, operating and maintenance expenses, and distribution of the product that collects the information. The costs to the Federal government will vary depending on whether the IRS will incur printing or copying costs for all the materials. These costs do not include any activities such as taxpayer assistance and enforcement. IRS estimates have determined that the cost of developing, printing, distribution and overhead for the form is \$167,941.

15. REASONS FOR CHANGE IN BURDEN

The IRS is making this submission for renewal purposes. The IRS TAS evaluated the forms necessary to carry out the LITC grants program. As part of this burden reduction initiative, TAS reduced and consolidated the information being collected.

The TAS eliminated two application forms 13424 and the Project abstract by incorporating these into Form 13424-M, and including only the information necessary to evaluate applications. Additionally, TAS eliminated the reporting Forms A, B, C, K, and N and replaced them with a new form 13424-R. The new Form 13424-R reduces the amount information collected as part of the interim and year-end reports. As result of these revisions, the burden has decreased by -6,793 hours. Additionally, the burden is increasing by 145 hours due to better estimates of the number of respondents.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

The IRS TAS uses the information from the Interim and Year-End reports to develop IRS Publication 5066, LITC Program Report.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the collection sunsets as of the expiration date. Taxpayers are not likely to 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.