

SUPPORTING STATEMENT  
Forms 8038, 8038-G, and 8038-GC  
OMB No. 1545-0720

. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Issuers of certain tax-exempt bonds are required to submit information returns to the Secretary of the Treasury in order for the obligations to retain their tax-exempt status. The Tax Reform Act of 1986 revised the reporting rules and extended them to cover all issues of all tax-exempt bonds. Code section 149(e) applies to all tax-exempt bonds issued after December 31, 1986. The information reported must be submitted to the Secretary not later than the 15th day of the second calendar month after the close of the calendar quarter in which the obligation is issued.

The Code provides a detailed list of the information required to be submitted. For the most part, the information required by Forms 8038, 8038-G, and 8038-GC is specifically required by statute.

. USE OF DATA

The information will be used to calculate the revenue loss from tax-exempt bonds; to project the expected future volume of private purpose bonds; and to determine whether the current uses of tax-exempt bonds merit continued Federal assistance.

. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling.

. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

Not applicable.

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

Not applicable.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

Not applicable.

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Forms 8038, 8038-G, and 8038-GC.

In response to the **Federal Register** Notice (75 FR 10025), dated March 4, 2010, we received no comments during the comment period regarding Forms 8038, 8038-G, and 8038-GC.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

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

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 8038	3,816	51.30	195,761
Form 8038-G	23,675	21.93	519,193
Form 8038-GC	<u>12,000</u>	10.87	<u>130,440</u>
	39,491		845,394

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0720 to these regulations.

1.103-A-2(1)	1.103-15AT(e)(2)	1.148-1 through 1.148-8
1.103-A-2(k)(2)	1.149(e)-1T	5f.103-1, 2 and 3
1.103A-2(K)(1)	1.103-15AT(d)	6a.103A-2 and 3
1.103A-2(m)	1.127-2	

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice dated March 4, 2010, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing Forms 8038, 8038-G and 8038-GC. We estimate that the cost of printing the form is \$7,051.

15. REASONS FOR CHANGE IN BURDEN

This is a revision of a currently approved collection. An increase of 13,680 burden hours is attributable to an adjustment made to the 8038-GC burden. There appears to have been an accounting error in the previous submission(s). An adjustment was made to reconcile this, and bring the burden reported in the ICR consistent with the Arthur D. Little computation.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I

Not applicable.

**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.