

SUPPORTING STATEMENT
Internal Revenue Service
(Form 990-EZ)
OMB # 1545-1150

22064. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRS section 6033 requires organizations exempt under section 501(c) to file an annual return. Form 990-EZ is required by the Income Tax Regulations under Code section 6033. Exemptions from filing are provided in 26 CFR 1.6033-2(g). IRS has liberalized these exemptions by raising the \$5,000 limit to \$25,000. The content of Form 990-EZ is largely specified by 26 CFR 1.6003-2.

Form 990-EZ is for use by filers whose gross receipts are less than \$200,000 and whose total assets are less than \$500,000 at the end of the year.

22065. USE OF DATA

IRS uses the information from Form 990-EZ to assure that tax exempt organizations are operating within the limitations of their exemption.

22066. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing is provided for Form 990-EZ and schedules.

22067. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

22068. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There is no flexibility to reduce burden on small businesses or other small entities because the statutes apply to small businesses and small entities.

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

A less frequent collection would not enable the IRS use the information from Form 990-EZ to assure that tax exempt organizations are operating within the limitations of their exemption and would thereby 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

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 Form 990-EZ.

In response to the *Federal Register* notice dated July 1, 2014 (79 FR 37392), one comment was received from the Bureau of Economic Analysis in support of this information collection.

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)" and Privacy Act System of Records notices (SORN) have been issued under IRS 24.046 – CADE Business Master File (BMF) and IRS 34.037 – Audit Trail and Security Records. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

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

The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §§ 6033 and 501(c)3	Form 990-EZ	362800	1	362800	60.54	21963912
IRC §§ 6033 and 501(c)3	Form 990-EZ Sch A	280374	1	280374	95.15	26677587
IRC §§ 6033 and 501(c)3	Form 990-EZ Sch B	84112	1	84112	9.32	783924
IRC §§ 6033 and 501(c)3	Form 990-EZ Sch C	23914	1	23914	23.78	568675
IRC §§ 6033 and 501(c)3	Form 990-EZ Sch E	5772	1	5772	7.42	42829
IRC §§ 6033 and 501(c)3	Form 990-EZ Sch G	75866	1	75866	25.36	1923962
IRC §§ 6033 and 501(c)3	Form 990-EZ Sch L	4123	1	4123	7.82	32242
IRC §§ 6033 and 501(c)3	Form 990-EZ Sch N	3711	1	3711	9.44	35032
Totals		840672		840672		52028163

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

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-1150 to this regulation.

1.6003-2

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

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. After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for the form is \$734,165.

15. REASONS FOR CHANGE IN BURDEN

Form 990EZ

There were discretionary changes made to Form 990-EZ, which increased the associated burden by 98,300 resulting in an increase of burden hours of 5,951,082. The estimated filers of Form 990 decreased by 147,815 responses which resulted in a decrease in burden of 8,948,721.

990EZ Change in responses (49,515)
 990EZ Change in Annual Burden (2,997,639)

Form 990EZ	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	362800	0	98,300	-147,815	0	412315
Annual IC Time Burden (Hours)	21963912	0	5,951,082	-8,948,721	0	24961551

Form 990EZ Sch A

Form 990EZ Sch A has an increase to burden response time from 54.60 hours per response to 95.15 hours per response because the Form 990-EZ (Sch-A), part IV and part V were added. These program changes were due to agency discretion, and attributed to an increase in burden by 11,369,166 hours.

990EZ Sch A Change in responses 0
 990EZ Sch A Change in Annual Burden 11,369,166

Form 990EZ Sch A	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	280374	0	0	0	0	280374
Annual IC Time Burden (Hours)	26677587	0	11,369,166	0	0	15308421

Total combined change for the Information collection is as follows.

Total changes to 1545-1150	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	840,672	0	98,300	-147,815	0	890,187

Annual Time Burden (Hr)	52,028,163	0	17,320,248	-8,948,721	0	43,656,636
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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 form and / or regulation 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.

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.