

SUPPORTING STATEMENT
(Rev. Procs. 2008-60; 2012-27)
OMB # 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

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

4. EFFORTS TO IDENTIFY DUPLICATION

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

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

There are no small entities affected by this collection.

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

If the IRS did not collect this information, the IRS will not be able to determine which taxpayers are electing to terminate surety bonds or TDA accounts that have been furnished or established with the IRS. Also, less frequent collection will affect the IRS from recapturing taxes 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 reporting 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 May 4, 2015 (80 FR 25359), we received no comments during the comment period.

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

No personally identifiable information (PII) is collected.

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 Service 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.

Total burden for this information collection is 7,810.

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no start-up costs associated with this collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There are no known annualized costs to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

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

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the 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

No exceptions.

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.