

SUPPORTING STATEMENT

23024. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

In May 2006, the IRS issued Notice 2006-50 stating taxpayers may be entitled to request a credit or refund of the federal excise tax on nontaxable telephone service. The refund period is for nontaxable service billed after February 28, 2003 and before August 1, 2006. The credit or refund must be claimed on a 2006 income tax return. Form 8913 has been developed to allow taxpayers to compute the actual amount of refund for each month of the 14 refund periods. Taxpayers must also calculate the interest due on the refund. Factors have been provided for each refund period. The tax and interest is combined on Form 8913 and one amount is transferred to the appropriate income tax return.

Notice 2006-50 was published June 19, 2006, in I.R.B. 2006-25.

23025. USE OF DATA

The information on Form 8913 will allow filers of the form to correctly compute their federal telephone excise tax refund and the interest due on the refund.

23026. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are currently offering electronic filing on Form 8913.

23027. EFFORTS TO IDENTIFY DUPLICATION

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

23028. 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 Form 8913.

We will publish a notice in the Federal Register in the near future to solicit public comments on this form.

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

<u>Form</u>	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
8913	38,000,000	13.63	526,300,000
8913-Worksheet	38,000,000	<u>14.11</u>	<u>544,920,000</u>
Total		27.74	1,071,220,000

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

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information 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 Form 8913. We estimate that the cost of printing the form is \$3,300.

15. REASONS FOR CHANGE IN BURDEN

Not applicable.

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.

Reason for emergency submission.

We are estimating that 150-180 million individuals, businesses, and non-profit organizations are eligible for a credit or refund

of the federal excise tax. Standard refund amounts have been provided for individuals, allowing individuals to request their refund without reviewing 41 months of phone bills and determining the actual tax paid each month.

Taxpayers may request a credit or refund of tax on nontaxable service that was billed after February 28, 2003, and before August 1, 2006, only on their 2006 Federal income tax returns. For this purpose, the 2006 income tax return is the income tax return for calendar year 2006 or for the first taxable year including December 31, 2006.

In order to meet the Agency mission and provide taxpayers sufficient time to read and understand the new tax laws, the IRS is requesting Emergency approval. Because this credit may only be requested on the 2006 Federal Income Tax Returns, we are unable to request approval under the normal OMB procedures. The 2006 filing season is only weeks away for most individuals and businesses. It would create a major burden on both taxpayers and businesses, if they are unable to file their returns promptly or at least be given the correct information to file promptly.