

SUPPORTING STATEMENT
for
IRS Form 13614-T, Telephone Excise Tax Refund Form 1040EZ-T
Intake Sheet

15616. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

BACKGROUND INFORMATION FOR FORM 13614, Intake and Interview Sheet:

In the 2004 Filing Season, TIGTA audited several VITA sites and concluded that "...VITA volunteers did not always correctly prepare tax returns..." (Audit 2004-40-154). In the 2005 Filing Season, TIGTA conducted Audit 200540002 (August 9, 2005), which was a follow up to determine SPEC's progress in addressing challenges detailed in the 2004 audit.

TIGTA stated "Central to the SPEC function's strategy for ensuring the accuracy of tax returns completed by volunteers is its Integrated Return Preparation Process Model (IRPPM). This model outlines a step-by-step method for preparing accurate returns at VITA sites. The model's premise is that to complete accurate tax returns, volunteer preparers must ask certain questions about the taxpayers and, if relevant, their families. The model reinforces the importance of completing [an Interview and Intake Sheet](Form 13614)..."

"The SPEC function developed the Form 13614 that contains a standardized list of required intake questions to guide volunteers in asking taxpayers basic questions about themselves."

"If used correctly, the intake sheet is an effective tool for ensuring critical taxpayer information is obtained and applied during the interview process."

Although volunteer tax return preparers receive quality training and tools, Form 13614 ensures they consistently collect personal information from each taxpayer to assure the returns are prepared accurately, avoiding erroneous returns. This form is critical to continued improvements in the accuracy of volunteer-prepared returns for taxpayers having low to moderate incomes.

NEW Form 13614-T, Telephone Excise Tax Refund 1040EZ-T Intake Sheet:

Form 13614-T, is part of a series of forms related to the Form 13614. The Form 13614-T will be used as the Intake Sheet for individuals who potentially qualify to file a Form 1040EZ-T, Request for Refund of Federal Telephone Excise Tax, to receive their refund.

In 2006, taxpayers can request a one-time refund of previously collected federal excise taxes on their 2006 tax return. The refund is available to anyone who paid long-distance taxes on landline, cell phone or Voice over Internet Protocol (VoIP) service. In general, any individual, business or nonprofit organization that paid long-distance tax for service billed after Feb 28, 2003 and before Aug 1, 2006 is eligible to request the refund.

For those who do not otherwise have to file a tax return, there is a new form (1040EZ-T), which can be used to get this refund.

SPEC will take the lead position in the education and outreach campaign in creating awareness of the TERR request process. Early estimates from W&I Research indicate there could be an additional 491,500 customers who visit a volunteer return preparation site to have a Form 1040EZ-T completed.

The Form 13614-T is designed to gather information necessary to prepare the Form 1040EZ-T. However, it also contains information that may identify taxpayers with a filing requirement and/or who may be eligible for other tax benefits such as the Earned Income Tax Credit.

Although volunteer tax return preparers receive quality training and tools, as with the Form 13614, the Form 13614-T ensures they consistently collect personal information from each taxpayer to assure the returns are prepared accurately, avoiding erroneous returns. This form is critical to continued improvements in the accuracy of volunteer-prepared returns for taxpayers having low to moderate incomes.

15617. USE OF DATA

The completed form is used by screeners, preparers, or others involved in the return preparation process to more accurately complete tax returns of taxpayers having low to moderate incomes. These persons need assistance having their

returns prepared so they can fully comply with the law and request a refund of their eligible Federal Telephone Excise Tax. If authorized by the taxpayer, the form can also be used to assist the taxpayer after their appointment.

15618. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

This form is completed by the taxpayer requesting tax return preparation assistance at temporary volunteer return preparation sites nationwide. There are currently no plans to make this form electronic due to where and how it is used.

15619. EFFORTS TO IDENTIFY DUPLICATION

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

15620. 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. It is only completed one time per taxpayer being serviced in a volunteer return preparation site.

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 various Partner organizations such as American Association of Retired People (AARP), Armed Forces Tax Council (AFTC), National Community Tax Coalition (NCTC), Annie E. Casey Foundation, United Way Coalition, ACORN, AICPA, TAP, TIGTA, and other professional groups to discuss tax law and tax forms. During these meetings, there have been opportunities for those attending to make comments

regarding the Form 13614-T.

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

The burden estimate is as follows:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 13614-T	491,500	10 min	81,917

Estimate of the annualized cost to respondents for the hour burdens shown are not available at this time, however they are completing this form as part of the process to have the their tax returns prepared at no charge.

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

After consultation with Publishing, The estimated cost of developing and printing Form 13614-T is \$8,500.

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.

Emergency Need Justification

We request expedited processing because normal processing of this request will delay timely implementation and training of volunteers about how to use the form. It jeopardizes the IRS mission as follows:

° **Our ability to provide top quality service will be significantly impacted.** As cited previously in this statement, TIGTA states that an Intake Form, when correctly used, helps ensure volunteers collect and apply accurate tax data from a taxpayer so they pay the correct amount of tax, receive (if appropriate) the correct credits, and comply fully with their tax responsibilities.

° **Integrity and fairness may be compromised.** Without this form, more partners will need to create their own versions of the form which erodes consistent data collection. Because this form is critical to so many stakeholders at so many points in the volunteer return preparation process, it has been reviewed by many internal and external entities, who have or have had the opportunity to review, comment, and affect the ultimate version of the form including:

- ° AARP
- ° Armed Forces Tax Council
- ° Annie E. Casey Foundation

- National Community Tax Coalition
- TIGTA
- AICPA
- TAP

- **An effective tool for understanding and solving problems from the taxpayers' point of view will be lost.** This form, as described earlier, is the volunteers' guide for interviewing assisted taxpayers so they can understand a taxpayer's circumstances and prepare their return fully informed. This is the key to sensitively engaging assisted taxpayers at all levels.
- **Volunteer's ability to foster open two-way communication with assisted taxpayers may be hindered.** As shown previously in this statement, the purpose of this form is open a channel of communication between volunteers and assistors. Open responses from taxpayers on this form will most likely result in accurate tax return preparation by the volunteer.

Timing Factors

The final design of the Form 13614-T was delayed due to discussions being held Servicewide on the interpretation of the procedure for requesting a refund of the federal excise tax paid. Determining what information to collect on the Form was dependent upon decisions made regarding this process.

The Form 13614-T is critical to continued improvements in the accuracy of volunteer-prepared returns.