

Supporting Statement for Paperwork Reduction Act Submissions

A. Justification

1. *Explain the circumstances that make collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

Collection of information for this purpose is necessary to determine the accuracy of the IRS records. Accurate taxpayer data is important to not only the taxpayer, but also to the IRS for budget requests, staffing issues and also statistical data.

2. *Indicate how, by whom, and for what purpose the information is to be used. Except for new collection, indicate the actual use the agency has made of the information received from the current collection.*

Using a confirmation letter, TIGTA will request information from taxpayers to determine the accuracy of IRS records. Confirmation letters will be sent to taxpayers that have not filed a tax return determine if the IRS records relating to their nonfiling is accurate.

3. *Describe whether, and to what extent, the collection of information involves use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.*

Confirmation letters will be computer printed, using locally developed programs. TIGTA is not able to determine the electronic submission capabilities of the potential respondents; therefore, we will not use any automated, electronic, mechanical, or other technological collection techniques.

4. *Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.*

The purpose of a confirmation program is to provide an independent verification of the IRS' records; therefore, similar information is not available from another source.

5. *If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.*

The confirmation letters will not impact small businesses or other small entities.

6. *Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

To accomplish our job, TIGTA must be allowed to send these letters to taxpayers and/or their taxpayer representatives (if a POD is on file) to confirm the IRS' accuracy of the TDI records and information they have.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner:*

- *Requiring respondents to report information to the agency more often than quarterly.*

Respondents will not be asked to report information to TIGTA more often than quarterly.

- *Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after the receipt of it.*

Respondents will not be asked to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

- *Requiring respondents to submit more than an original and two copies of any documents.*

Respondents will not be asked to submit any more documents than the original and one copy.

- *Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years.*

Respondents will not be required to retain records, other than tax records, for more than three years.

- *In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.*

TIGTA will not project results to the universe of study unless we use a statistical survey designed to produce valid and reliable results.

- *Requiring the use of statistical data classification that has not been reviewed and approved by OMB.*

TIGTA will not require the use of a statistical data classification that has not been reviewed and approved by OMB.

- *That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.*

Tax returns and return information are confidential, as required by the Internal Revenue Code Section 6103. TIGTA will not include a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that

are consistent with the pledge, or which unnecessarily impedes the sharing of data with other agencies for compatible confidential use.

- *Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

Respondents will not be required to submit proprietary trade secrets, or other confidential information.

8. *If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.*

TIGTA published a Federal Register Notice Vol. 71 Pages 20159-20160 dated 4/19/2006. TIGTA received no comments.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The confirmation letters have been subjected to an internal quality review. TIGTA has not consulted with any person outside the agency regarding this information collection. Since we need to independently verify the IRS' records, the only available source for this information is the taxpayer.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

TIGTA has not consulted with any taxpayers or taxpayer representatives regarding the proposed confirmation letters. As a general rule, TIGTA tries to minimize contact with taxpayers and their representatives. The confirmation letter asks for a minimal amount of information. Consulting with the taxpayer or his/her representative prior to sending the confirmation letter would be redundant and would unnecessarily increase taxpayer burden.

9. *Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.*

Respondents will not be provided with payments, gifts, or remuneration.

10. *Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.*

The confirmation letter will state that information received from the respondent may be provided to the IRS to update the taxpayer's account; however, information concerning the taxpayer's account cannot be provided to third parties without the written permission of the taxpayer or their representative.

11. *Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

All questions on the confirmation letter will pertain to the taxpayer's account information.

12. *Provide estimates of the hour burden of the collection of information. The statement should: indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.*

Returns Not Filed Confirmation Letter hour burden estimate:

Number of respondents (500 * .20 respondent rate)	100
Frequency of response	One Time
Annual hour burden	15 minutes per respondent

13. *Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from collection of information. (Do not include the cost of any hour burden shown in items 12 and 14). The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component.*

There will be no cost to respondents or recordkeepers resulting from the collection of information.

14. *Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expenses that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from items 12, 13, and 14 in a single table.*

We estimate the cost for 500 confirmation letters to be \$335.56. See attached statement for an explanation of this estimate.



15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of 83-I:

This is a new information collection and there are no adjustments reported in the annual reporting and recordkeeping hour and cost burdens.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The proposed confirmation letters would be sent to taxpayers as soon as OMB approval is received.

If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

TIGTA will display the expiration date for OMB approval of the information collection.

17. Explain each exception to the certification statement identified in item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the certification statement in item 19 of Form 83-I.

B. Collections of Information Employing Statistical Methods

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe, as a whole, and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection:

The potential respondent universe for the return not filed confirmation letter will consist of taxpayer accounts where the IRS records indicate a taxpayer has not filed a return per Master File. TIGTA will use a random sampling method to select the respondent universe. We expect a 20 percent response rate, although we have not conducted this type of information collection before.

2. Describe the procedures for the collection of information, including: statistical methodology for stratification and sample selection, estimated procedure, degree of accuracy needed for purpose

described in justification, unusual problems requiring specialized sampling procedure, and any use of periodic data collection cycles to reduce burden:

TIGTA will select a sample size from the potential respondent universe using the judgmental sampling technique. We will limit our sample size to 500 because it will not be cost beneficial to send confirmation letters to more than 500 respondents.

- 3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied:*

To maximize the response rate, we have made the confirmation letter extremely simple to complete by asking the respondent a minimal number of questions. We will also enclose a self-addressed postage-paid business reply envelope for the respondent's use. TIGTA will mail confirmation letters to a randomly selected sample of respondents and will consider any information received from a taxpayer or their representative, regarding the taxpayer's account, to be reliable and accurate.

- 4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Test must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.*

TIGTA has not conducted any tests of procedures and does not plan on conducting any test of procedures.

- 5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor, grantee, or other person who will actually collect and/or analyze the information for the agency:*

TIGTA has not consulted with any individual on the use of statistical methods. TIGTA will collect and analyze the responses to the confirmation letters.