

## **Supporting Statement for OMB Form 83-I Information Referral**

### **1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Currently, individuals wishing to report alleged tax violations may contact a Toll-Free telephone operated by the Customer Service Function of the Internal Revenue Service (IRS). Here, an IRS employee would transcribe information provided by the caller to an internal form. Persons calling who do not have all of the required information to complete the form are advised to re-contact the Service after obtaining the necessary facts. Completed forms are subject to review and forwarded to appropriate areas as dictated by the instructions in the Internal Revenue Manual (IRM). Experience has shown only a small number of these referrals result in any further action by the Service.

Recent and pending Funding constraints have it necessary for Customer Service to consider several program areas where reductions might be made. The objective was to reduce costs and preserve essential tax related services to our customer base. After study by the Service, it has been determined we can obtain essentially the same information regarding alleged tax violations from the public without the need to provide live service. This will allow the Service to re-deploy highly skilled employees presently performing this duty to other tax program areas.

We plan to provide callers with a form that may be completed at the convenience of the caller. The form will be designed capture the essential information needed by IRS for an initial evaluation of the report. Upon return, the Service will conduct the same back-end processing required under present IRM guidelines.

Submission of the information to be included on the form is entirely voluntary on the part of the caller and is not a requirement of the Tax Code.

### **2 USE OF DATA**

Under the present procedures, persons contact the IRS to voluntarily provide data regarding alleged violations tax law. An employee of the IRS verbally asks the caller to give information as outlined in the IRM needed to complete the internal form. The proposed form captures the same type and amount of information required by the current IRM instructions. Any additional information burden is minimized. The data that is and will be required is the minimum required to identify a potential violator and conduct an initial review for potential follow-up action. This includes:

(2)

- a. Name, address, Identification Number (Individual and/or Business), occupation, marital status, and date of birth. This information is required to identify the potential violator in our database(s).
- b. Alleged violation. Determines appropriate area for any follow-up action.
- c. Unreported Income and Tax Years. Same as above. Amount and of tax years involved determine where referral is routed.
- d. Remarks. For caller to describe the alleged violation, how the information was obtained.
- e. Name, address, and contact telephone number of the caller. Needed if additional facts or information is required to evaluate the report.

**3 USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

We have no immediate plans to offer electronic filing due to the low volume of respondents compared to the cost of electronic enabling.

**4 EFFORTS TO IDENTIFY DUPLICATION**

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

**5 METHODS TO MINIMIZE BURDEN ON SMALL BUSINESS 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 ELINES IN 5 CFR 1320 .5 (d) (2)**

Not applicable.

**8 CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON THE AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

In response to the Federal Register notice dated January 15, 2009 (74 FR 2653), we received no comments during the comment period regarding Form 3949-A.

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**

<b><u>Form</u></b>	<b><u>Number of Responses</u></b>	<b><u>Time Per Response</u></b>	<b><u>Total Hours</u></b>
3949-A	215,000	15 Minutes	53,750

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**

As suggested by OMB, our Federal Register notice dated January 15, 2009 (74 FR 2653), requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14 **ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The primary cost to the government consists of the costs of printing Form 3949-A. We estimate the cost of printing the form is \$4,000.

15 **REASON FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

16 **PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

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Not applicable

17 **REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

See Attachment

18 **EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB 83-1**

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 U.S.C. 6103.

\* If emergency approval is needed, please give reason.