

## **Supporting Statement** (Rev. Proc. 2006-10)

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

IRC §6109 provides that, when required by regulations, a person must include an identifying number on a return, statement or other document. Treas. Reg. §301.6109-1(a) prescribes three types of identifying numbers; (1) a social security number (SSN), (2) an employer identification number (EIN), and (3) a new IRS-issued number called the IRS individual taxpayer identifying number (ITIN). The application form for EINs and ITINs is Form SS-4, and Form W-7, respectively. A taxpayer may either submit the application form and substantiating documentation (if required) for either an EIN or an ITIN directly to the IRS or, as provided in section 301.6109-1(d)(iv), apply for an EIN or an ITIN by using an acceptance agent. Under an agreement with the IRS, an acceptance agent would assume responsibility for assisting certain foreign persons in obtaining EINs and ITINs. This responsibility includes providing the application forms to the taxpayers, assisting taxpayers in completing the application forms and collecting, reviewing, and maintaining the required documentation. With respect to obtaining ITINs, an acceptance agent may assume greater responsibility by reviewing the required documentation and certifying that the documentation verifies the ITIN applicant's true identity and alien status. The "certifying" acceptance agent would not have to forward the documentation to the IRS, except as part of a verification process by which the IRS may periodically verify the agent's compliance with the agreement. Section 301.6109-1(d)(vi)(A) outlines the necessary provisions of an acceptance agent agreement. The revenue procedure provides information about the application process to become an acceptance agent, and further elaboration on the terms of the requisite agreement.

### **2. USE OF DATA**

The information will be used by the IRS for tax administration purposes.

### **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**

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**

Revenue Procedure 96-52 was published in the Internal Revenue Bulletin on November 25, 1996. This revenue procedure (RP 2006-10), supersedes Rev. Proc. 96-52 (1996-2 C.B. 372). RP 2006-10 was published in the Internal Revenue Bulletin on January 9, 2006 (2006-2 IRB 293).

In response to the **Federal Register Notice** dated, April 2, 2009 (**74 F.R. 15051**), we received no comments during the comment period regarding this revenue procedure.

**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 estimated total annual reporting/recordkeeping burden is 24,960 hours. The estimated number of respondents/recordkeepers is 260,325.

**TOTAL BURDEN:** 24,960 hours.

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 **April 2, 2009**, 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 responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time.

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

Not Applicable.

**15. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB.

This submission is being made for renewal purposes.

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

Not applicable.

**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 revenue procedure 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. EXCEPTION 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.