

**SUPPORTING STATEMENT
(Form 2220)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 6555(a) of the Internal Revenue Code imposes a penalty on corporations for failure to pay estimated income tax. Corporations use Form 2220 to determine whether the penalty applies and, if so, to compute the amount of the penalty.

2. USE OF DATA

Form 2220 gives the IRS information necessary to determine if the corporation had an underpayment of tax to which the estimated tax penalty applies and, if so, to determine if the corporation correctly figured the amount of the penalty.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

At this time, there is no electronic filing.

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

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 2220.

In response to the **Federal Register** Notice dated August 20, 2009 (74 F. R. 42166), we received no comments during the comment period regarding Form 2220.

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>No.of</u>	<u>Time per</u>	<u>Response</u>
		<u>Responses</u>	
		<u>Total hours</u>	
			Form 2220
			702,000
			35.59
			24,148,800
(pages 1 & 2)	Sch. A, Pt. I	140	26.52
	3,675		
	Sch. A, Pt. II	2,800	12.64
	35,392		

Sch. A, Pt. III	2,940	6.32
18,581		
<u>707,880</u>		<u>24,206,448</u>

Estimates of the annualized cost to respondents for the hour burdens shown above are not available at this time.

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-0142 to these regulations:

- 1.6655-1
- 1.6655-2
- 1.6655-3

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** Notice dated August 20, 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

The primary cost to the government consists of the cost of printing the form. We estimate the cost of printing the form is \$8,061.

15. REASONS FOR CHANGE IN BURDEN

We recalculated the entire burden. There was a net decrease of 5 line items from the Form 2220 itself, and an increase in 5 line items from Part IV of Schedule A. We also updated the filing figures. We are making this submission to renew the OMB approval.

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 83-1

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 26 U.S.C. 6103.