

**SUPPORTING STATEMENT  
(INTL-978-86)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

The regulations implement section 6039E of the Internal Revenue Code (the Code). Section 6039E was added to the Code by the Tax Reform Act of 1986 in order to require that applicants for passports and permanent residency report certain information related to the administration of U.S. tax law. The regulations inform applicants for passports or for permanent residency of their obligations under the new reporting provision of section 6039E and of the penalties for non-compliance, and they advise certain agencies of the Federal Government of their responsibilities under this provision.

**2. USE OF DATA**

The information collected will be used by the Internal Revenue Service for the purpose of improving tax compliance by resident aliens and U.S. citizens living abroad. Using this information, the Service will be able to identify U.S. citizens who have not filed tax returns, and permanent residents who have undisclosed sources of foreign income. If the collection of information is not conducted, Code section 6039E will not be enforced.

**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**

These regulations were published in the Federal Register as a Notice of Proposed Rulemaking on December 24, 1992 (57 FR 61373). A public hearing was not held because one was not requested.

In response to the Federal Register Notice dated July 23, 2009 (74 F.R. 36547), we received no comments during the comment period regarding INT-978-86.

**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 collection is required by §301.6039E-1(c) of the regulations. Section 301.6039E-1(c)(1) lists the information to be submitted by passport applicants. Section 301.6039E-1(c)(2) lists the information to be submitted by

applicants for permanent residence. Section 301.6039E-1(c) (3) describes additional information which passport and immigration applicants may be required to provide in connection with the processing of their applications.

It is estimated that 5,000,000 passport applicants will be affected by this requirement, and it will take from 4 to 10 minutes, depending on individual circumstances, with an estimate of 6 minutes. The burden for this requirement is 500,000 hours. It is estimated that 500,000 permanent residence applicants will be affected by this requirement, and it will take 20 to 40 minutes, depending on individual circumstances, with an average of 30 minutes. The burden for this requirement is 250,000 hours.

As indicated above, 5,500,000 respondents are affected by section 301.6039E-1(c) and the total burden is 750,000 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 July 23, 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 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**

Not applicable.

**15. REASONS FOR CHANGE IN BURDEN**

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

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation 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. 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.