

SUPPORTING STATEMENT
FORM 8655
OMB No. 1545-1058

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Reporting Agent Authorization allows taxpayers to designate a reporting agent to file certain tax returns electronically, to receive copies of notices and other tax information, and to submit federal tax deposits, as provided by sections 3504, 6011, 6064 and 6103 of the Internal Revenue Code.

Revenue Procedure 2007-38 states, among other things, that when a taxpayer hires a reporting agent to remit taxes to the Internal Revenue Service, this does not eliminate the taxpayer's liability for those taxes.

Revenue Procedure 2007-38 obligates reporting agents to remind their clients on a quarterly basis of this retained tax obligation. Under section 5.05, reporting agents must also alert their clients to the benefits clients can realize by enrolling in the U.S. Treasury Department's Electronic Federal Tax Payment System ("EFTPS"). The collection of information is necessary to inform reporting agent clients that the clients retain full responsibility for payment of federal taxes. The collection is also necessary to inform clients that if they enroll in the EFTPS, they can monitor federal tax payments by reporting agents, and thus help avoid underpayment of such taxes. The collection of information is necessary to document that reporting agents are giving the required notices to clients.

Moreover, as described in section 8.02 of this revenue procedure, reporting agents may request an administrative review prior to their suspension; the request for an administrative review must be in writing; the written request for an administrative review and a copy of the notice proposing suspension must be delivered to the address designated in the notice within 30 days of the effective date on the notice.

2. USE OF DATA

The Reporting Agent Authorization is submitted by the reporting agent. A reporting agent is a person or organization preparing and filing electronically the federal tax returns and/or submitting federal tax deposits. The Form 8655 provides the only signature authority for electronically filed returns and deposits. The form also permits the IRS to disclose tax account information and to provide duplicate copies of taxpayer correspondence. The authorization remains in effect until revoked by the taxpayer, the reporting agent or the IRS. The Service will not provide information to the reporting agent without an authorization signed by the taxpayer. The Form 8655 standardizes submissions and provides a convenience to the users.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume 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 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, the Service Bureau Consortium, 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 8655.

Revenue Procedure 2007-38 was published in the **Internal Revenue Bulletin** on June 18, 2007 (2007-25 IRB 1442).

We received no comments during the comment period in response to the **Federal Register** notice dated July 7, 2010 (75 FR 39092), regarding Form 8655.

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 burden is as follows:

Based on estimates provided by Service personnel who deal extensively with reporting agent issues, the collection of information burden generated by section 5.05 is estimated to require of 12,750 record-keeping hours per year (estimated 4,250 reporting agents x three hours per year).

| | No. of Responses | Hours Per Response | Total Hours |
|--------------------|------------------|--------------------|-------------|
| Rev. Proc. 2007-38 | 4,250 | 3.00 | 12,750 |
| Form 8655 | 110,000 | 7.09 | 779,900 |
| | | | 792,650 |

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice dated **July 7, 2010 (75 FR 39092)**, 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.

Estimates of the annualized cost to respondents for the hour burdens shown 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 Form 8655. We estimate that the cost of printing the form is \$500.

15. REASONS FOR CHANGE IN BURDEN

1. The burden hours increased due to addition of new IC for Revenue Procedure 2007-38.

The additional collection of information initiated by revenue procedure 2007-38 is in section 9.01 through 9.04.

Section 9.01 through 9.04 states, among other things, that a Reporting Agent who receives a notice proposing suspension from the Reporting Agent program, as described in section 8.02 of this revenue procedure, may request an administrative review prior to the suspension taking effect; the request for an administrative review must be in writing; the written request for an administrative review and a copy of the notice proposing suspension must be delivered to the address designated in the notice within 30 days of the effective date on the notice.

Section 11 states if a Reporting Agent receives a suspension, the Reporting Agent is entitled to appeal, by written protest, to the Service.

2. Burden hours also increased because of changes to form 8655:

New lines were added to the form to allow taxpayers to grant reporting agents authorization over new forms like Form 944 and Form 944-PR.

New lines were added to the form to allow taxpayers to grant reporting agents authorization disclosure over the Form W-2 series and Form 1099 series.

3. Burden hours also increased because of new burden computation.

New burden computation to correct prior estimated burden.

We are also 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 statutes/regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of 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.