

SUPPORTING STATEMENT  
(TD 9054)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Subject to requirements and conditions imposed by regulation, Internal Revenue Code section 6103(c) authorizes the Internal Revenue Service (Service) to disclose a taxpayer's return or return information (1) to such person as the taxpayer may designate in a request for or consent to such disclosure and (2) to any other person at the taxpayer's request to the extent necessary to comply with the taxpayer's request to such other person for information or assistance. Treasury Regulation section 301.6103(c)-1 (this final regulation) sets forth the requirements and conditions for the Service's disclosure of returns and return information to a designee of a taxpayer.

Collections of information under Internal Revenue Code section 6103 and this final regulation are necessary for practical reasons. In order to make the disclosure requested or consented to by a taxpayer, the Service must collect certain information such as the taxpayer's name and other identification information, the return or return information to be disclosed, and the identity of the person to whom the return or return information is to be disclosed.

2. USE OF DATA

The Service requires information pursuant to paragraphs (b), (c), and (d) in order to make disclosures of returns and return information under those paragraphs. The use to be made of the required information will depend upon the circumstances of each case, including the applicable paragraph of the regulation. For example, information provided in a request or consent meeting the requirements of paragraph (b) will be used to determine the return or return information described in the request or consent, to search for such return or return information, to compile any return or return information found, to identify the person or persons to whom any such return or return information is to be provided, and to provide any such return or return information to the designee. Information provided in a

request meeting the requirements of paragraph (c) will be used by the Service to determine the nature and extent of the information or assistance requested by the taxpayer, to determine the returns or return information to be disclosed to a third party in order to comply with the taxpayer's request, and where possible to comply with the taxpayer's request. Information provided in a request meeting the requirements of paragraph (c)(2) also will be used to confirm the identity of the taxpayer and the designee. A taxpayer's consent meeting the requirements of (d)(1) will be used to make certain disclosures to an electronic return transmitter or other third party in connection with the taxpayer's electronic filing of returns or other documents or information, such as disclosures to a transmitter of the Service's receipt of a taxpayer's return and its acceptance or rejection by the Service. In certain instances the information collected by the Service will not be used by the Service. For example, a taxpayer completing a tax return may request that, in the event questions arise during the processing of the return, a third party should be contacted; the taxpayer will provide the third party's name, phone number, and where relevant the third party's personal identification number. Such a request that a third party be contacted is valid under paragraph (c)(1). If no such questions arise during the processing of the taxpayer's return, the Service will make no use of the taxpayer's request that a third party be contacted and the information provided about the third party.

### 3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

This final regulation expressly contemplates the use of electronic consents. See Treas. Reg. § 301.6103(c)-1(e)(1)(i)(B) (defining "separate written document" to include the text appearing on one or more computer screens). In addition, this final regulation sets forth parameters for the creation of electronic consents to disclosures necessary in connection with the electronic filing of returns or other documents or information.

### 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

The collection of information does not have a significant impact on substantial number of small businesses or other small entities. However, this final regulation is intended to reduce the burden on all businesses by permitting electronic consents, including electronic consents in the context of the electronic filing of returns and other documents or information, and by permitting certain disclosures of return information to be made pursuant to nonwritten requests for or consents to disclosure.

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

A notice of proposed rulemaking was published in the **Federal Register** simultaneously with a temporary regulation on January 11, 2001. The final regulation (TD 9054), was published in the Federal Register on April 29, 2003 (68 FR 22596).

In response to the Federal Register notice dated August 3, 2012, (77 FR 46557), we received no comments during the comment period concerning this regulation.

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

Under section 301.6103(c)-1(b), a taxpayer may request or consent to the disclosure of the taxpayer's return or return information to a third party. In most cases, taxpayers will do so using forms IRS Forms 4506, 8821; various IRS tax return forms such as Form 1040, Form 1040A, and Form 1040-EZ; and the United States Department of Education form entitled "William D. Ford Federal Direct Loan Program Income Contingent Repayment Plan Consent to Disclosure of Tax Information." The burden associated with the use of such forms is set forth on such forms.

The IRS estimates that the annual number of persons who request or consent to the disclosure of their returns or return information to third parties, but who do not make use of the approved forms discussed in the preceding paragraph, will be 4,000; the burden per respondent will average 12 minutes; and that the total annual recordkeeping burden will be 800 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 August 3, 2012, 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 regulations sunset 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.