

**SUPPORTING STATEMENT to Form 83-I for
e-Services
Registration, TIN Matching Application and Interactive TIN Matching**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The current IRS Electronic Tax Administration (ETA) organization was charged with assisting the IRS meet the 2007 legislative target of 80 percent electronically filed returns by providing e-services that enhance customer service, reduce burden, and increase efficiency consistent with the IRS mission of providing "America's taxpayers with top quality service."

This legislative target came about as part of the Restructuring and Reform Act of 1998 (RRA'98). An even more urgent target that came out of the RRA'98 was that, by 2003, substantially all tax returns prepared on a computer should be filed electronically. The e-services products seek to increase the share of third-party returns being e-filed by making it easier for third parties to transact business with the IRS by use of the Internet.

Both private and public sector organizations and individuals have become increasingly dependent upon advanced information and communication technology in tax administration matters. IRS Business System Modernization efforts determined the need to establish a public network accessible to all, an employee network accessible to IRS employees and a Registered User Network, accessible to anyone doing business with IRS other than as a taxpayer.

The Registered User Network enables more efficient and secure communication and transfer of tax information between business, individual taxpayers and the Internal Revenue Service. Registration to e-services is voluntary but is a required authenticating step for any user wishing access to the e-services.

2 USE OF DATA -

Registration

The registration data is used by IRS to authenticate a user. Any third party requiring access to e-services must first register. Registration is voluntary. Registration is a one-time event. Access to different products will be managed through applications. Registrants are asked to provide the following:

- legal name
- social security number
- date of birth
- telephone number
- e-mail address
- adjusted gross income from the current year or prior year return
- a user selected username, password and pin
- a reminder question to recover a forgotten username
- a home mailing address

Registrants are required to accept the registration Terms of Agreement. IRS issues a registration confirmation code via the U.S. Postal Service and requires the user to log back into the e-services portal within 28 days to enter this registration confirmation code, which will complete the registration process. The purpose of registration is to authenticate the third-party users who want access to the e-services secure internet portal. Registration by itself does not grant the registrant access to e-services. Applications must also be completed and approved for access to the different e-services products

Application for Interactive TIN Matching - The application data will be used by IRS to manage users of TIN Matching Products and to ensure that only authorized payers are provided access to these products. During the application process payers will be validated against the Payer Authorization File (PAF) before being given approval. The following data elements are requested during the Application for TIN Matching:

Principal Information

- Name
- Organizational Role (Principal, Responsible Official, Authorized Agent, Delegated User)
- Principal's Phone Number
- e-mail Address

Firm/Organization Information

- Firm/Organization Legal Name
- Employer Identification Number
- Country

Address 1 and Address 2
 City
 State
 Zip-Code
 Phone for this location
 Location Information
 Name of Location
 Country
 Address 1 and Address 2
 City
 State
 Zip-Code
 Phone for this location
 Authorized User Information
 Name (First/Middle/Last)
 Social Security Number
 Phone Number
 e-mail address
 location
 Organizational Role (Principal, Responsible Official, Authorized Agent, Delegated User)
 Terms of Agreement Indicator (Accept/Not Accept)

Interactive TIN Matching Users - Payers accepted into the program are allowed to match their payees' TIN and name combinations with IRS records prior to their annual submission of information returns, or when opening new accounts for payees. A Taxpayer Identification Number (TIN) can include a Social Security Number (SSN), Employer Identification Number (EIN), Adoption Taxpayer Identification Number (ATIN), or an Individual Taxpayer Identification Number (ITIN). The entries made by payers using interactive TIN matching will not be retained by IRS.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Registration to e-services provides an efficient exchange of electronic information from the public to the government by allowing the public to enter required information through secure on-line access on the internet

TIN Matching Application and interactive TIN Matching provide an efficient exchange of electronic information from payers and the Internal Revenue Service. TIN Matching is offered to payers to reduce the number of CP2100 backup withholding "B" notices and Incorrect Information Penalty 972CG notices, they receive. When payers receive these notices, they are required to contact their payees to solicit the correct TIN information. The goals of the TIN Matching program are to reduce the number of incorrect information returns received by IRS, which currently is 3% of 1.5 billion documents, or approximately 50 million documents each year; reduce the number of CP2100 "B" notices and Incorrect Information Penalty 972CG notices sent to payers; reduce the TIN validation error rate; and ensure the information received from payers is correct and compliant with current tax laws, all of which will ultimately reduce taxpayer burden.

4. EFFORTS TO IDENTIFY DUPLICATION

The Registration Process is the first of its kind at IRS. It is the first time that external users will be authenticated and allowed the ability to apply for services that provide access to sensitive taxpayer data.

The implementation of the TIN Matching Application and interactive TIN Matching Products will be the first time IRS has provided these services to payers.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The Registration process minimizes burden on small businesses or other small entities since registration is a one-time event, which will provide access to applications for a wide variety of tax administration products

TIN Matching is provided to payers to reduce the current number of CP2100 backup withholding "B" notices and Incorrect Information Penalty 972CG notices sent to payers submitting information returns with bad or missing TINs. Receiving these notices requires payers to solicit the correct information from payees, which is a labor intensive, time-consuming burden for both payers and payees. Processing and mailing the notices, and answering follow up calls from payers and payees, uses valuable IRS resources that could be used elsewhere. The goals of the program are to reduce the number of "B" notices from the current 3% error rate, reduce the TIN validation error rate, reduce the number of proposed penalty notices, and reduce taxpayer burden.

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

External stakeholders were invited to attend meetings held in January 2003. During these meetings, there was an opportunity for attendees to make comments regarding the e-services releases 1 products, including TIN Matching application and interactive TIN Matching.

We received no comments during the comment period in response to the Federal Register notice dated **March 13, 2013 (78 FR 16048)**.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

In accordance with 26 U.S.C. 6103 it is required that all taxpayer information be kept confidential.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

List the number of responses, time per response, and total burden for each screen product/form included in the submission. The burden estimate for e-services registration is as follows:

Process	Number of Responses	Time per Response	Total Hours
Registration to e-services	600,000	(20 minutes)	200,000
Required Password maintenance	600,000	(20 minutes)	200,000
Forgotten Password maintenance	120,000	(20 minutes)	40,000

The burden estimate for e-services TIN Matching Interactive Application and Sessions is as follows

Process	Number of Responses	Time per Response	Total Hours
TIN Matching Interactive Application	75,000	(20 minutes)	25,000
TIN Matching Interactive Sessions	18,750,000	(10 minutes)	3,125,000

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 **March 13, 2013**, 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 an 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

Estimates of annualized costs are not available at this time.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden preciously 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

See attachment.

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.