

## **Supporting Statement (Forms 8275 and 8275-R)**

### **240. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code section 6662 imposes accuracy related penalties on taxpayers and section 6694 imposes these penalties on tax return preparers. The penalties may be reduced if the taxpayer or preparer adequately discloses the relevant facts affecting the tax treatment of any item on the return provided the items are not from a tax shelter. Regulations sections 1.6662-4(e) and (f) set forth rules requiring the use of Form 8275 to make the disclosure. Form 8275-R has been developed to be used for disclosures involving a position reflecting a tax treatment that is contrary to a regulation. Form 8275-R requires the filer to cite the regulation in question.

#### **2. USE OF DATA**

The IRS uses the information provided on Forms 8275 and 8275-R to determine whether the penalties under section 6662 and 6694 should be imposed or if the disclosures required by regulations sections 1.6662-4(e) and (f) are adequate.

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

We are currently offering 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 Forms 8275 and 8275-R.

In response to the **Federal Register** Notice dated April 10, 2013, (78 F.R. 21500), we received no comments during the comment period regarding Forms 8275 and 8275-R.

**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>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
8275			333,333 5.68
8275-R			1,893,332 <u>333,333</u> 5.47

1,823,332

666,666

3,716,664

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0889 to these regulations:

1.6661

1.6662

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the forms. The justification appearing in item 1 of the supporting statement applies both to these regulations and to the forms.

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

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

As suggested by OMB, our **Federal Register Notice** dated April 10, 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 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 these forms. We estimate that the cost of printing the forms is \$10,526.

**15. REASONS FOR CHANGE IN BURDEN**

There are no changes to the form at this time.

We are making this submission for renewal purposes.

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

Not applicable.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

See attachment.

**18. EXCEPTION 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.