

SUPPORTING STATEMENT
IRS Form 211
Application for Reward for Original Information

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 211 is a voluntarily submitted, straightforward and simply prepared application by which a person claims a reward for information which enables the Internal Revenue Service to assess and collect taxes from alleged tax violators. Such taxes would not have been collected if the informant had not provided the information. The rewards being applied for are authorized by Internal Revenue Code section 7623, and Form 211 is required to be completed by Treasury Regulation 301.7623-1(f).

2. USE OF DATA

IRS uses the information to determine and pay rewards, record a claimant's reward as taxable income, and to identify any outstanding tax liability (including a jointly filed return) against which the reward would first be applied.

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

In response to the *Federal Register* Notice dated March 23, 2007 (72 F. R. 13867), no comments were received during the comment period regarding the Form 211/211 (SP).

In response to the *Federal Register* Notice dated August 6 2013 (78 FR 47828), we received one comment relating to accuracy of the estimated time per response, and possible additions and revisions to the form that would make it conform more closely to the TCR currently used by the SEC.

The commenter suggested the IRS include a section to allow the whistleblower to provide a contact email address. This suggestion was adopted.

The commenter suggested the IRS add information regarding the whistleblower's power of attorney to the form instead of requiring a separate Form 2848, Power of Attorney and Declaration of Representative. This suggestion was not adopted because the Form 2848 process is required by all other IRS functions and it would be confusing to representatives to have a different process for whistleblower submissions. Including the POA information on the Form 211 would require the representative to sign the Form 211. It would also substantially increase the length of the form and make it confusing to whistleblowers who do not have a representative.

The commenter suggested the IRS develop questions to include in the form in order to focus the issues in a whistleblower's disclosure. This would increase the length of the form and also the possible taxpayer burden.

The commenter suggested the IRS include a section to determine a whistleblower's eligibility for an award. This suggestion was not adopted because award eligibility is not a

critterion for determining whether or not the Whistleblower office opens a case based on the submitted information.

The commenter suggested the IRS include contact information other than the mailing address for the Whistleblower Office on the form such as an email address, fax number or phone number. This suggestion was not adopted because until a case is assigned it would be difficult to respond to inquiries. Once the case is assigned, the whistleblower is provided with a case number and telephone contact information.

The commenter suggested the IRS allow whistleblowers to submit Form 211 by fax. Because an original (not scanned or faxed) signature is required on the Form 211, the whistleblower office cannot accept a faxed Form 211.

The section of the comment addressing the 15 minute processing time the IRS would devote to the forms appears to represent a misunderstanding on behalf of the commenter as to the function of the burden estimates reported on the form. Since the burden estimates are meant to reflect the burden incurred by the taxpayer as opposed to the agency, the comments concerning IRS processing time have not been addressed.

In response to the comment regarding an insufficient burden estimate, and in accordance with internal calculations, we are increasing the burden estimate to 45 minutes. This increase in the burden estimate is based on the increase in the number of lines on the Form 211, and an estimate of the amount of time a whistleblower may need to prepare any attachments. However, the amount of time a whistleblower spends preparing attachments could vary widely.

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**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Fraud Inventory Management System (FIMS)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under Treas/IRS 24.030-- CADE Individual Master File; Treas/IRS 24.046- CADE Business Master File; Treas/IRS 42.001-- Examination Admin Files; Treas/IRS 42.031--Anti-Money Laundering /Bank Secrecy Act (BSA) and Form 8300 Records.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

<u>Form</u>	<u>Number of Responses</u>	<u>Time per Responses</u>	<u>Total Hours</u>
211	20,000	.75	15,000

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 23, 2007, 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.

In response to the *Federal Register* Notice dated August 6, 2013 (78 FR 47828), we received no comments in reference to the cost burden incurred by the taxpayer during the comment period regarding Form 211.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Forms 211 can be printed as needed from the intranet and internet.

15. REASONS FOR CHANGE IN BURDEN

The change in the paperwork burden previously approved by OMB is due to an increase in the line items filers of this form will have to complete. These draft changes were finalized after the 60 day notice was issued. We are also making this submission to renew the OMB approval.

Previous version had:**NEW revision has:**

16 line items (spaces for the public to fill in) 26 line items + 1 request for attachment

15 min./response

45 min./response

20,000 respondents

20,000 respondents

5,000
hours

Total burden hours

15,000

Total burden

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.