

**SUPPORTING STATEMENT**  
**OMB #1545-2199**  
**Form 15597**

**Foreclosure Sale Purchaser Contact Information Request**

336. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 15597, Foreclosure Sale Purchaser Contact Information Request, is information requested of individuals or businesses that have purchased real property at a third party foreclosure sale. If the IRS has filed a "Notice of Federal Tax Lien" publicly notifying a taxpayer's creditors that the taxpayer owes the IRS a tax debt, AND a creditor senior to the IRS position later forecloses on their creditor note (such as the mortgage holder of a taxpayer's primary residence) THEN the IRS tax claim is discharged or removed from the property (if the appropriate foreclosure rules are followed) and the foreclosure sale purchaser buys the property free and clear of the IRS claim EXCEPT that the IRS retains the right to "redeem" or buy back the property from the foreclosure sale purchaser within 120 days after the foreclosure sale. Collection of this information is authorized by 28 USC 2410 and IRC 7425.

The IRS only "redeems" if, after an investigation, the IRS determines that the mortgage that was sold left enough equity (and in today's depressed market) there is enough equity left in the property that if the IRS buys the property from the foreclosure sale purchaser and resells that property - that the IRS sale will reach that extra equity and the IRS then repays the revolving fund (a permanent fund the IRS has to make such purchases) and still has sufficient sale dollars to apply to the taxpayer's liability. If there was enough in the sale fund received - and the taxpayer's liability is fully paid - and there are still sale funds available - then those funds can be claimed by other creditors.

337. USE OF DATA

The IRS needs to be able to be in touch with and deliver the "redemption" check to buy the property. The form asks for that information to be able to complete the sale. There have been situations where the foreclosure sale purchaser has "evaded" the IRS - in these cases Counsel has accompanied the advisor to redeem the property and proffer the check. The information is kept in the taxpayer case

file. There is 2 year retention on closed case files. If the IRS purchases the property from the foreclosure sale purchaser, then there will be paperwork filed at the register of deeds (IRS can only redeem real estate - not personal property). The paperwork filed at the register of deeds will show the IRS name and the foreclosure sale purchaser's name.

338. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 15597 is only utilized in situations where the IRS is contemplating redemption.

339. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

340. 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 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 Form 15597.

In response to the Federal Register notice (79 FR 10229), dated February 24, 2014, we received no comments during the

comment period regarding this form.

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. The IRS needs to be able to be in touch with and deliver the "redemption" check to buy the property. The form asks for that information to be able to complete the sale. If there is any problem - the check is put in an escrow fund and Counsel assists the IRS in crafting the redemption paperwork to be recorded with the appropriate registrar's office to complete the redemption. Then the IRS sale moves forward.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

	<u>Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 15597	150	4 hrs., 5 mins.	613 hrs.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated February 24, 2014 (79 FR 10229), 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 mailing Form 15597. We estimate that the annual cost of

mailing the form is \$1,056.

15. REASONS FOR CHANGE IN BURDEN

There were no changes made to the forms that resulted in any change in burden previously reported to OMB. However, the agency has updated number of filings based on its most recent data resulting in a decrease in the annual responses previously reported. However, the burden will increase by 564 hours based on updated time estimates.

We are making this submission to revise the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See below.

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.

OMB Expiration

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsoleted by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, at their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.

We are requesting OMB approval for continued use of the prior version of the form(s) in this clearance package, so that late filers will have the previous versions available to them in future years.