

SUPPORTING STATEMENT
OMB Control Number 1545-0950
(Form 23 and Form 23-EP)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 10.5 of Treasury Department Circular No. 230, Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries, and Appraisers before the Internal Revenue Service (31 CFR Part10) requires that those who desire to be enrolled to practice before the Internal Revenue Service file an application on Form 23 and Form 23-EP.

2. USE OF DATA

The information will be used by the Director of Practice to determine the qualifications of individuals for enrollment to practice before the Internal Revenue Service. Failure to collect such information will result in the Director of Practice being unable to determine the qualifications of individuals for enrollment to practice before the Internal Revenue Service.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filling of Form 23 and 23-EP are available at:

<https://www.pay.gov/public/form/start/26062157#>

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

We have attempted to minimize burden on small businesses and other small entities.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

The information is collected only at the time the applicant applies to be an enrolled practitioner and is used to determine the qualifications of individuals for enrollment to practice before the Internal Revenue Service.

Failure to collect such information will result in the IRS not being to determine the qualifications of individuals for enrollment to practice before the Internal Revenue Service.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

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 February 25, 2016, (81 FR 9587), we received no comments during the comment period regarding Form 23 or Form 23-EP.

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

No payments or gifts are being provided.

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**

There is a statutory provision at 31 U.S.C. Sec. 7701 that can require us to ask for Social Security numbers in many instances. This statute mandates that we ask for this information in transactions that may result in a receivable and in certain other financial dealings. When dealing with a particular agency application, that agency may have additional cause to ask us to request your Social Security number.

We ask for personal information during authentication so that you can access certain information and conduct transactions that may typically result in the collection or payment of public money.

The Forms 23 and 23-EP can be completed and filed at the website:
<https://www.pay.gov/public/form/start/26062157#>

The following is a link to the website's Privacy policy:

<https://www.pay.gov/public/home/privacy>

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "IRS Nationwide Tax Forums Online, NTFO", PIA ID Number 1127, and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 34.037-IRS Audit Trail and Security Records System; 10.004 Stakeholder Relationship Management and Subject Fi.

The PIA can be found at:

<https://www.irs.gov/pub/irs-pia/ntfo-pia.pdf>

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Hours</u>
Form 23	5,429	30 min.	2,715
Form 23-EP	38	15 min.	9.5
Total:	5,467		2,725

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-0950 to this regulation.

31 CFR Part 10

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no estimated total annual cost burden to respondents.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we have determined that the cost of developing printing, processing, distribution and overhead for the form is \$10,000.

15. REASONS FOR CHANGE IN BURDEN

The changes to the burden previously approved by OMB are due to an increase in the expected filers of Form 23 and a decrease in the expected filers of Form

23-EP.

This submission is also for renewal purposes.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation.

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

There are no exceptions.

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.