

## **Supporting Statement**

1545-0946

Form 8554 - Application for Renewal of Enrollment to Practice Before the Internal Revenue Service

Form 8554-EP - Application for Renewal of Enrollment to Practice Before the Internal Revenue Service as an Enrolled Retirement Plan Agent (ERPA)

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

Section 10.6(d) 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 Part 10), requires that those who are enrolled to practice before the Internal Revenue Service renew such enrollment periodically.

Form 8554 is an application for renewal mailed to all enrolled agents each year. Form 8554-EP is used to renew your Enrolled Retirement Plan Agent (ERPA) status.

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

The information will be used by the Director of Practice to determine the qualifications of individuals for renewal of 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 renewal of enrollment to practice before the Internal Revenue Service.

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

Form 8554 and 8854-EP can be filed electronically or through the mail.

### **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**

There are no small entities affected by this collection.

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

The consequences for not collecting this information are that the IRS will not be able to administer the rules governing the recognition of attorneys, certified public accountants, enrolled agents, enrolled retirement plan agents, registered tax return preparers, and other persons representing taxpayers before the Internal Revenue Service. This affects taxpayer confidence and the ability to represent oneself before the IRS on tax matters.

Tax compliance is a vital part of the government's ability to meet its' mission and serve the public.

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**

Periodic meetings are held between IRS personnel and representatives of various professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding the collection requirements under these forms.

In response to the Federal Register notice (81 FR 23553), dated April 21, 2016, we received no comments during the comment period regarding these forms.

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

No payment or gift has been provided to any respondents.

10. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 U.S.C. 6103.

11. **JUSTIFICATION OF SENSITIVE QUESTIONS**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Return Preparer Office Preparer Directory, RPO Preparer Directory” system and a Privacy Act System of Records notice (SORN) has been issued for this system under:

IRS 37.111 - Treasury/IRS Preparer Tax Identification Number Re  
 IRS 34.037 - Treas/IRS audit trail and security records system

The Internal Revenue Service PIA’s can be found at  
<http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

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**

Overall Estimated Annual totals:

	<b>Estimated Number of Responses per year</b>	<b>Estimated time per response</b>	<b>Total estimated annual Burden</b>
<b>Form 8554</b>	48,000	30 min.	24,000
<b>Form 8554-EP</b>	48,000	30 min.	24,000

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

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0946 to these regulations:

31 CFR Part 10

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

The applicant must pay an application fee of \$30 with the submission the form. As suggested by OMB, our Federal Register Notice dated April 21, 2016, 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, we do not believe there is any other burden cost to the respondents not captured in the estimates of burden hours.

**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**

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

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

There are no plans for tabulation, statistical analysis and publication.

**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 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 to the certification statement.

**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.