

SUPPORTING STATEMENT
Internal Revenue Service
(REG-208274-86) (TD 9679)
Information Reporting by Passport Applicants
OMB No. 1545-1359

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This document contains proposed amendments to 26 CFR part 301 under section 6039E of the Internal Revenue Code. Section 6039E provides rules concerning information reporting by U.S. passport and permanent resident applicants, and requires specified Federal agencies to provide certain information to the IRS. These amendments provide information reporting rules for certain passport applicants and do not provide rules for individuals applying to become permanent residents.

- The proposed regulations set forth rules concerning information reporting by passport applicants under section 6039E. Section 301.6039E–1(a) requires an individual applying for a U.S. passport (passport applicant), other than an individual who applies for an official passport, diplomatic passport or passport for use on other official U.S. government business, to provide certain information with his or her passport application.
- Section 301.6039E–1(b)(1) describes the required information to be provided by passport applicants: The applicant’s full name and, if applicable, previous name; address of regular or principal place of residence within the country of residence and, if different, mailing address; taxpayer identifying number (TIN); and date of birth. Section 301.6039E–1(b)(2) provides that the required information must be submitted with the passport application, regardless of where the applicant resides at the time it is submitted.
- Section 301.6039E–1(c) provides guidance on the circumstances under which the IRS may impose a \$500 penalty amount on any passport applicant who fails to provide the required information.

Section 301.6039E–1 is proposed to be applicable to passport applications submitted after the date of publication of the Treasury decision adopting these rules as final regulations in the *Federal Register*.

The proposed regulations were adopted as final regulations (T.D. 9679) on July 18, 2014 with minor revisions after the consideration of comments.

- A commentator requested clarification with respect to when the period for responding to a notice of potential assessment of the \$500 penalty for failure to provide the required information begins to run. In response to this comment, § 301.6039E-1(c) of the final regulations provide that a passport applicant has 60 days from the date of the

notice of assessment of the penalty, or 90 days from such date if the notice is addressed to an applicant outside the United States, to respond to the notice.

2. USE OF DATA

The information is required by individuals who apply for a U.S. passport or a renewal of a U.S. passport. The information provided by passport applicants will be used by the IRS for tax compliance purposes.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There is no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity.

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

This document contains final regulations that provide information reporting rules for certain passport applicants. These final regulations apply to certain individuals applying for passports (including renewals) and provide guidance to such individuals about the information that must be included with their passport applications. Failure to comply could result in a \$500.00 penalty.

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

A notice of proposed rulemaking (REG–208274–86) was published in the *Federal Register* on December 24, 1992, at 57 FR 61373, under section 6039E. The 1992 proposed regulations provided guidance for both passport and permanent resident applicants to comply with information reporting rules under section 6039E. No requests were received to testify on the 1992 proposed regulations and, accordingly, no public hearing was held. One written comment was received recommending modification of a form that is no longer in use and therefor was not considered in drafting these regulations.

These proposed regulations do not provide rules concerning information reporting by individuals applying to become permanent residents; therefore such individuals are not within the scope of the proposed regulations. The proposed regulations also withdraw the 1992 proposed regulations.

We received no comments during the comment period in response to the **Federal Register** notice (81 FR 18686), dated March 31, 2017

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 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

There is no sensitive personally identifiable information (PII) in this collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collection of information in these proposed regulations is in § 301.6039E-1(b) and requires individuals who apply for a U.S. passport or a renewal of a U.S. passport to provide certain information as prescribed by this section.

No. Respondents	No. Responses Per Respondent	Annual Responses	Hours Per Response	Total Burden
12,133,537	1	12,133,537	0.1	1,213,357

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

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

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 the 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.

