

**OMB control number 1545-1534**  
**SUPPORTING STATEMENT**  
**TD 8780**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 7623 of the Internal Revenue Code provides the Secretary with authority, by regulation, to pay rewards for information leading to the detection and punishment of violations of the internal revenue laws. The regulations prescribed by the Secretary are set forth in section 301.7623-1 of the Income Tax Regulations.

The regulations explain the procedure for submitting information that relates to violations of the internal revenue laws. The regulations also require a person claiming a reward for information to provide, in certain circumstances, identification or evidence that the person is the proper claimant.

**2. USE OF DATA**

The Internal Revenue Service will use the information relating to violations of the internal revenue laws to detect and prosecute those violations. The Service will use the identification or evidence that a person claiming a reward provides to ensure that the person is the proper claimant.

**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**

We have attempted to eliminate duplication within the agency whenever 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 Internal Revenue Service will use the information relating to violations of the internal revenue laws to detect and prosecute those violations. With a less frequent collection, the Service not be able identify violators in a timely manner.

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 (62 FR 53274) was published simultaneously with temporary and final regulations (62 FR 53230) in the **Federal Register** on October 14, 1997. The final regulations, TD 8780, were published in the Federal Register on August 21, 1998 (63 FR 44777).

In response to the **Federal Register** notice dated May 5, 2016 (81 FR 27191), we received no comments during the comment period regarding Regulation 252936-96 (TD 8780 - final).

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**

No personally identifiable information is collected.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Section 301.7623-1(b)(3) requires a claimant on behalf of a deceased informant to attach to the claim for reward evidence of the claimant's authority to act as the legal representative of the deceased. Section 301.7623-1(d) explains the procedure for the provision of information relating to violations of the internal revenue laws. Section 301.7623-1(f) requires a claimant to provide proof of identity in cases where information was furnished in a name other than the informant's true name.

We estimate that an annual total of 10,000 persons that have submitted information will claim rewards for the provision of the information. We estimate an average annual reporting burden per person of 3 hours. The total annual burden is 30,000 hours.

Total Responses	Time per response	Total burden hours
10,000	3 hours	30,000

**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**

No estimated annualized cost to the Federal government is available.

**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.

**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.

**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 USC 6103.