

Terms of Clearance and Agency Response

Terms:

The Expiration Date has been changed to the new current expiration date noted above. The agency is reminded that it should have in place an internal planning process so that completion of the public notification and comment period required by 5 CFR 1320 occurs prior to an information collection's expiration date. Agencies should submit non-emergency extension requests sufficiently prior to expiration dates to allow for a 60-day period of OMB review. Other terms of your previous clearance remain in effect.

Background:

The consolidation of the business burden forms into one OMB Control number, 1545-0123, U.S. Business Income Tax Return, was part of the over-arching effort to transition the burden estimate methodology for these forms to the IRS Research method, a more precise burden calculation method. This is the same process that was implemented for 1545-0074, U.S. Individual Income Tax Return, in 2009. Form 8594 was part of this consolidation effort. Approaching burden estimation using the new approach called the Business Taxpayer Burden Model represents a leading practice in burden modeling. Burden for Form 8594 was estimated using this new Business methodology, as well as the individual methodology, and the traditional Alfred D. Little model since this form is used by various filers (businesses, individuals, and 'all other filers'). With burden being reported under three clearance numbers, it was necessary to capture separate filing data (responses) for each population in order to accurately report the burden. Because this clearance only encompasses burden for "all other filers," such as estates and trusts, it was necessary to do additional research to further break down the number of forms received and accurately calculate and report burden hours.

Response:

As transitioning forms into one Information Collection Requests using an alternative IRS research method is a fairly new effort, the estimate in the time it would take to capture such separate filing data for each population was not accurately estimated. The agency will continue to work closely with submission processing to implement better tracking methods and complete the necessary research before submitting any future consolidation requests.