

**OMB Control # 1545-1693  
SUPPORTING STATEMENT  
(Forms 8871 and 8453-X)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Public Law 106-230, as amended by Public Law 107-276, amended section 527(i) to require organizations that want to be treated as political organizations to notify the IRS that they are section 527 organizations. This notice must be given within 24 hours of the establishment of the organizations.

**2. USE OF DATA**

The IRS is required by section 6104(a)(1)(A) to make the information on Form 8871 available to the public at Internal Revenue Service offices. The IRS is also required to make certain information included on Form 8871 available to the public on the internet (Section 6104(a)(1)(A) and Section 6104(a)(3)).

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

Section 527(l)(1)(A) requires that the organization file Form 8871 electronically. Also, Form 8453-X automatically appears for the initial filer of Form 8871 with all the information entered. The form is printed out, signed, and mailed to the Ogden Service Center. In so doing, this authenticates the electronic filing of Form 8871.

**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**

We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure taxpayers are complying with the laws, and to allow us to figure and collect the right amount of tax.

**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 the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 8871 or Form 8453-X

We received no comments during the comment period in response to the **Federal Register** notice dated June 14, 2016 (81 FR 38774).

**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**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "527 Political Action Committee / Political Organization Filing and Disclosure, 527 PAC-POFD" system and a Privacy Act System of Records notice (SORN) has been issued for this system under:

IRS 50.001 - Tax Exempt & Government Entities (TE/GE) Correspondence  
 IRS 42.001 - Examination Administrative File  
 IRS 00.001 - Correspondence Files and Control Files  
 IRS 24.046 - Customer Account Data Engine Business Master File  
 IRS 34.037 - 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

The burden estimate is as follows:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 8871	5,000	6.97	34,850
Form 8453-X	<u>500</u>	.69	<u>345</u>
	5,500		35,195

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

As suggested by OMB, our Federal Register notice dated June 14, 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 response from taxpayers on this subject. IRS has estimated that there are no start-up costs to the respondents.

#### 14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing the instructions for Form 8871. We estimate that the cost of printing the form is \$500.

**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 the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, at their expense,

for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.

**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.