

**SUPPORTING STATEMENT**  
*Safeguards Program* (Publication 1075)  
**1545-0962**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 6103(p)(4)(E) of the Internal Revenue Code (IRC) imposes reporting requirements on agencies, bodies and commissions which receive returns and return information from IRS. They are required to describe the procedures they have established to ensure the confidentiality of the information.

The Safeguards Program and staff are responsible for ensuring that federal, state and local agencies receiving federal tax information protect it as if the information remained in IRS's hands.

These agencies and their contractors receiving federal tax information must protect the confidentiality of return information and are periodically reviewed by Safeguards personnel to ensure they meet the safeguarding requirements of IRC 6103(p)(4). These requirements include employee awareness programs, proper disposal, secure storage and computer security among others.

**2. USE OF DATA**

The IRS uses this information as one means of determining if those agencies and organizations are safeguarding returns/return information as required by IRC 6103 (p)(4), and when preparing annual reports to Congress as required by IRC section 6103(p)(5).

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

The Office of Safeguards is responsible for all interpretations of safeguarding requirements. Publication 1075 requirements may be supplemented or modified between editions of Publication 1075 via guidance issued by the Office of Safeguards and posted on the Office of Safeguards website.

The Office of Safeguards maintains Publication 1075, templates, guidance, and frequently asked questions online at <http://www.irs.gov/uac/Safeguards-Program>.

Agencies are highly encouraged to regularly visit the website for new updates.

**4. EFFORTS TO IDENTIFY DUPLICATION**

We have attempted to eliminate duplication within the agency wherever possible. Only one IRS function (the Office of Governmental Liaison and Disclosure) is assigned the responsibility of requiring and receiving the reports relating to IRC

6103(p)(4). The Office of Governmental Liaison and Disclosure coordinates with various security and other functions of the IRS, and with Treasury, to maintain this one document (IRS Publication 1075) which provides the requirements and guidelines for the reports.

**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 Mission of the Office of Safeguards is to promote taxpayer confidence in the integrity of the tax system by ensuring the confidentiality of IRS information provided to federal, state, and local agencies. Safeguards verifies compliance with IRC 6103(p)(4) safeguard requirements through the identification and mitigation of any risk of loss, breach, or misuse of Federal Tax Information held by external government agencies.

The concerns of citizens and Congress regarding individual rights to privacy require the IRS to continuously assess disclosure practices and the safeguards used to protect the confidential information entrusted. While the sanctions of the IRC are designed to protect the privacy of taxpayers, the IRS recognizes the importance of cooperating to the fullest extent permitted by law with other federal, state, and local authorities in their administration and enforcement of laws.

Failure to continuously assess these disclosure practices will put taxpayer information in jeopardy.

**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 Publication 1075.

In response to the **Federal Register** notice dated August 16, 2016, (81 FR 54662) we received no comments during the comment period regarding Publication 1075.

**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**

The reports will be treated in a confidential manner. IRS will use the reports only for the administration of IRC section 6103(p).

**11. JUSTIFICATION OF SENSITIVE QUESTIONS**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master File, BMF" system and a Privacy Act System of Records notice (SORN) has been issued for this system under:

Treas/IRS 24.046 BMF

Treas/IRS 34.047 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:

	<b><u>Responses</u></b>	<b><u>Number of Time Per Total Response Hours</u></b>
<b>Pub 1075</b>		5,100 40 Hours 204,000

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

As suggested by OMB, our **Federal Register** Notice dated **August 16, 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 the respondents' costs of preparing and mailing reports are estimated to total \$386,000.

**14. ESTIMATED ANNUALIZED COSTS TO THE FEDERAL GOVERNMENT**

After consulting with various functions within the Service, we estimate that the costs of developing, printing, processing and distributing Publication 1075 and evaluating the required reports is \$128,000 a year.

**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**

See attachment.

**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.

## OMB EXPIRATION DATE

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, 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.