

Supporting Statement
Internal Revenue Service
Application for Automatic Extension of Time to File an Exempt Organization Return
Form 8868
OMB Control Number 1545-1709

6448. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Sections 6081 and 1.6081 of the Internal Revenue Code and regulations permit the Internal Revenue Service to grant a reasonable extension of time to file a return. Form 8868 provides the necessary information for a taxpayer to apply for an extension to file a fiduciary or certain exempt organization returns.

6449. USE OF DATA

Form 8868 is used by certain tax exempt organizations to request an extension of time to file the returns for the entity. The agency will use this information to grant the extension.

6450. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing is available.

6451. 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

The collection of information requirement will not have a significant economic impact on a substantial number of small entities.

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

Consequences of less frequent collection on federal programs or policy activities could consist of a decrease in the amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

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

We received no comments during the comment period in response to the *Federal Register* notice dated September 26, 2016 (81 FR 66127).

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

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master file (BMF)" and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 – Electronic Filing Records; IRS 24.030 – Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's can be found at <https://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

| Authority | Description | # of Respondents | # Responses per Respondent | Annual Responses | Hours per Response | Total Burden |
|-----------|-------------|------------------|----------------------------|------------------|--------------------|--------------|
| 1.6081 | Form 8868 | 249,000 | 1 | 249,000 | 4.21 | 1,048,290 |
| Totals | | | | 249,000 | | 1,048,290 |

We have reviewed the following regulations and have determined that the reporting requirements contained in them are entirely reflected on the form. The justification appearing in item 1 of the supporting statement applies both to these regulations and to the form.

1.6081-1(b)

55.6081-1

1.6081-3

1.6081-

41.6081(a)-1

13. ESTIMATED TOTAL ANNUAL COST OF 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

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$5,000.

15. REASONS FOR CHANGE IN BURDEN

The original two part form was reconfigured into one part, changing its scope to an automatic 6 month extension application, thereby simplifying the form and reducing burden hours. The responses were adjusted based on the agencies most recent filing data (increased by 68 responses). Overall burden has been reduced by 243,207 hours.

| Table representing burden change | Description | # of Respondents | # Responses per Respondent | Annual Responses | Hours per Response | Total Burden |
|----------------------------------|------------------|------------------|----------------------------|------------------|--------------------|------------------|
| Treas. Reg.1.6081 | Form 8868 Part 1 | 138,928 | 1 | 138,928 | 5.06 | 702,976 |
| Treas. Reg.1.6081 | Form 8868 Part 2 | 110,004 | 1 | 110,004 | 5.35 | 588,522 |
| Totals | | | | 248,932 | | 1,291,497 |
| Discontinue two part Form | | | | | | (1,291,497) |
| | | | | | | 0 |
| Implement simplified Form 8868 | Form 8868 | 248,932 | 1 | 248,932 | 4.21 | 1,048,004 |
| Increase in Filers | | 68 | 1 | 68 | 4.21 | 286 |
| New Burden Totals | | 249,000 | | 249,000 | | 1,048,290 |

Updated estimates have been provided to the form's originators to amend the form's instructions. We are making this submission to renew the OMB approval.

| | Requested | Program Change Due to New Statute | Program Change Due to Agency Discretion | Change Due to Adjustment in Agency Estimate | Change Due to Potential Violation of the PRA | Previously Approved |
|------------------|-----------|-----------------------------------|---|---|--|---------------------|
| Annual Number of | 249,000 | 0 | 68 | 0 | 0 | 248,932 |

| | | | | | | |
|-------------------------|-----------|---|----------|---|---|-----------|
| Responses | | | | | | |
| Annual Time Burden (Hr) | 1,048,290 | 0 | -243,207 | 0 | 0 | 1,291,497 |

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 form 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. EXCEPTION 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.