

SUPPORTING STATEMENT

Tax Information Authorization and IRS Disclosure Authorization for Victims of Identity Theft
Form 8821 and Form 8821-A
1545-1165

1. **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Code section 6103(c) allows the IRS to disclose confidential tax information concerning a taxpayer to a designee of the taxpayer. This request must be in writing.

Form 8821 authorizes any individual, corporation, firm, organization, or partnership designated to inspect and/or receive confidential information for the type of tax and the years or periods listed on Form 8821.

Form 8821-A is an authorization signed by the taxpayer allowing the IRS to disclose the taxpayer's return, any purported return, and other related return information to state or local law enforcement in the event of possible identity theft. It may not be used for any other purpose.

2. **USE OF DATA**

The forms are used by the IRS to identify appointees of a taxpayer and to ensure that an unauthorized disclosure is not made.

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

We are currently offering electronic filing for the form 8821.

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**

There are no small businesses or other small entities affected by this collection.

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

The agency would risk unauthorized disclosure of private information. This could result in financial harm to both the taxpayer and agency.

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 8821.

In response to the *Federal Register* notice dated November 17, 2017 (81 FR 81240), we received no comments during the comment period regarding Form 8821.

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

No personally identifiable information (PII) is collected. Individual reporting is covered under OMB No. 1545-0074.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Form 8821:

The time needed to complete the form and file this form on paper will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 6 min.; Learning about the law or the form, 12 min.; Preparing the form, 24 min.; Copying and sending the form to the IRS, 20 min.

Form 8821-A:

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 9 minutes.

	Number of	Time per	Total	
		<u>Responses</u>	<u>Response</u>	<u>Hours</u>
Form 8821	123,333	1.05 hours	129,500	
Form 8821 (online)	10,000	1.08 hours	10,800	
Form 8821-A	<u>50,000</u>	.15	<u>7,500</u>	
	183,333		147,800	

Burden estimates for individual filers are reported under 1545-0074. The estimates above only reflect all other filers (i.e. corporations, firms, organizations, partnerships, etc.). Verbiage to this affect will be added to the instruction during the forms next revision.

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-1165 to this regulation.
301.6103(c)-1

We have reviewed the regulation and have determined that the reporting requirements contained in it are entirely reflected on the form. The justification appearing in Item 1 of the supporting statement applies both to the regulation and to the form.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up costs associated with this collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing Form 8821. We estimate that the cost of printing the form is \$5,000.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB.

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 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.

We are requesting OMB approval for continued use of the prior version of the form(s) in this clearance package, so that late filers will have the previous versions available to them in future years.

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.