

SUPPORTING STATEMENT

OMB Control Number 1545-2174

**Form 14134, Application for Certificate of Subordination of Federal Tax Lien
and
Form 14135, Application for Certificate of Discharge of Property from Federal Tax Lien.**

28512. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code § 6325 addresses releases of liens or discharges of property. The collection of information is required by Title 26 Code of Federal Regulations 301.6325-1(b)(5) for consideration of the United States discharging property from the federal tax lien and is required by 26 CFR 301.6325-1(d)(4) for consideration that the United States subordinate its interest in property.

28513. USE OF DATA

The information collection is used by Collection personnel to make a determination whether to issue a discharge or a subordination. The appropriate official may ascertain the accuracy of the application and make a determination of the discharge or subordination.

28514. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling. The forms are available electronically and are fillable.

28515. EFFORTS TO IDENTIFY DUPLICATION

Currently, when applicants do not provide information, the appropriate official needs to make a determination; the applicant is informed and given additional time. If the information is not provided within the time designated, the application is closed. Further consideration requires a new application. The standardized application forms represent collaboration between practitioner groups and IRS to develop a product that increases the chances applicants will provide a complete application the first time. They represent burden reduction in time and money spent for all parties involved in the property transaction. Additionally, information that the IRS can gather internally will not be asked of the applicants, another duplication reduction.

28516. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The collection information impacts any property owner and/or taxpayer where a federal tax lien attaches their property and they need to sell or refinance the property. This would not have a significant economic impact on a substantial number of small businesses or other small entities.

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

If the collection is made less frequently, the appropriate official would be unable to make discharge and subordination decisions. Some negative impacts if the IRS is unable to issue discharges and subordination would be an increase in foreclosures, bankruptcies, business defaults, and inability of property owners to change jobs if it involves selling a home and moving.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

The successful result of these information collections are publically recorded documents in the locations designated by the states for such property recordations. An applicant may need to prepare a written interim response and/or appeal a determination made by the appropriate official. The application closed files have a two-year record retention. There are no special circumstances requiring date 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

The IRS meets with practitioners through the National Public Liaison meetings and provides specific feedback calls after the NPL meeting. Through IRS Stakeholder Relations, practitioners have had the opportunity to comment on the revised publications and application forms. Their comments will also be sought again during the clearance process. In addition, the IRS consulted with the IRS Advisory Council (IRSAC) who approved of the application forms in draft form.

In response to the Federal Register notice (82 FR 15557), dated March 29, 2017, we received no comments during the comment period regarding these forms.

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 "Automated Lien System – ENTITY (ALS-ENTITY)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under:

IRS 26.009--Lien Files (Open and Closed)
IRS 36.003--General Personnel and Payroll Records
IRS 34.037--IRS Audit Trail and Security Records System

IRS 24.030--CADE Individual Master File (IMF)
 IRS 24.046--CADE Business Master File (BMF)
 IRS 26.019--Taxpayer Delinquent Account (TDA)

The Internal Revenue Service PIAs 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

The burden estimate is as follows:

Authority	Collection Instrument	Responses	Response	Hours
26 CFR 301.6325-1(d)(4)	Form 14134	1,941	3 hrs.	5,823
26 CFR 301.6325-1(b)(5)	Form 14135	8,421	2 hrs.	16,842
	TOTALS:	10,362	2 hrs., 19 min.	22,665

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated March 29, 2017, 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 responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time so the Internal Revenue Service used the following estimates.

Discharges \$799,995 = 8421 x (\$10 fed-ex mailing cost + \$5 copying costs + \$80 / 1hr with accountant or attorney)
 Subordinations \$378,495= 1941 x (\$10 fed-ex mailing cost + \$5 copying costs + \$120 / 1.5 hr with accountant or attorney) Totaling 1,178,490.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

AWSS 2009 overhead cost \$7000/unit (includes all computer, overhead and maintenance); 146 IRS personnel with average salary of \$89450/year. Target FY12 time to work a discharge 3.1 hours, Target FY 12 time to work a subordination 2.7 hours of a 2000 hr/yr. Discharge cost: Facility \$91,980 ; Salary \$1,175,373 ;Total = \$1,184,553 ; Subordination cost : Facility \$20,440 ; Salary \$261,194 ; Total = \$281,634. Grand Total \$1,466,187.

15. REASONS FOR CHANGE IN BURDEN

There were no changes made to the forms that resulted in any change to the burden previously reported to 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

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the forms sunset 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. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I

There are no exceptions to the certification statement for this collection.

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.