

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**OMB #1545-2189**  
**Form 8946 Preparer Tax Identification Number (PTIN)**  
**Supplemental Application for foreign persons without a Social Security Number**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

According to Internal Revenue Code Section 6109, in order to obtain a Preparer Tax Identification Number (PTIN), a person must establish their identity. Most individuals applying for a PTIN have a social security number, and will provide that number as part of the application process. However, foreign persons that cannot get a social security number will not have a social security number to provide. Form 8946 was created to enable those foreign persons to provide the necessary information and documentation that will be provided to establish their identity in lieu of providing a social security number.

2. USE OF DATA

The information gathered by Form 8946 is used by the IRS to establish the identity of nonresident aliens who do not have a social security number. This allows the IRS to verify compliance of preparers with Internal Revenue Code Section 6109.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS publication, regulations, notices and letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998. We intend to offer electronic filing to the extent it is practicable however in this case it isn't practicable because of the evaluative nature of the determination. Since identity documents must be submitted with this form, the form must be mailed in. The required documents cannot be submitted electronically.

4. EFFORTS TO IDENTIFY DUPLICATION

A PTIN is a unique number. Under guidance from regulation 134235-08, applicants are required to provide originals or certified copies of original documents with their application to establish their identity. The agency cannot use any information that already exists in an electronic format. All efforts have been made to identify and eliminate 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

This form is dependent on a paid tax preparers circumstances. If the tax preparer does not have a social security number, filing this form allows the filer to meet the requirements to be a paid preparer.

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 8946.

In response to the *Federal Register* notice (82 FR 20533), dated May 2, 2017, we received no comments during the comment period regarding Form 8946.

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

This information collection contains the following Personally Identifiable Information (PII): date of birth and place of birth. The Internal Revenue Service PIAs can be found at: <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA> .

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

We expect to receive 3902 responses. We expect the response time per response to be 5.27 hours. Therefore, we expect the total hours to be 20,564. Reduction in burden was a result of actual filings of form 8946.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC § 6109	Form 8946	3902	1	3902	5.27	20,564
Totals		3902				20,564

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST 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 Form 8946. We estimate the cost of printing the form to be \$10,000.

15. REASONS FOR CHANGE IN BURDEN

There is a decrease to the burden previously approved by OMB due to the estimate in filers. The burden is reduced as a result of actual filings of form 8946 for 2016 provided by Deputy Commissioner Services & Enforcement, Return Preparer Office, Office of the Director, Vendor Process & Business Requirements.

	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 Responses	3,902	0	0	-16,098	0	20,000
Annual Time Burden (Hr)	20,564	0	0	-84,836	0	105,400

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 OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB PRA SUBMISSION FORM

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.