

SUPPORTING STATEMENT
(Form 8851)
Summary of Archer MSAs (medical savings account)
OMB 1545-1743

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code Section 220(j)(4) requires trustees, who establish medical savings accounts, to report the following: (a) number of medical savings accounts established before July 1 of the taxable year (beginning January 1, 2001), (b) name and taxpayer identification number of each account holder and, (c) number of accounts which are accounts of previously uninsured individuals.

2. USE OF DATA

The data required by Internal Revenue Code Section 220(j)(4) and collected by the trustees of medical savings accounts will be used by the IRS to determine whether numerical limits set forth in Internal Revenue Code section 220(j)(1) have been exceeded.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing is available for Form 8851.

4. 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

The purpose of this form is collect information to report to Congress to assess the compliance with the requirement that the number of Archer MSA accounts does not exceed 750,000. A less frequent collection could create a situation where the limit set by IRC 220(j)(2) could be exceeded and be undetected because of less frequent reporting.

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

In response to the Federal Register Notice (82 FR 13200), dated March 9, 2017, we received no comments during the comment period regarding Form 8851.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment of gift has been provided to 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 PII: SSN.

The collection and use of SSNs is necessary and the agency complies with the requirements in Section 7 of the Privacy Act. Section 7 of the Privacy Act says that no federal, state, or local government agency can require someone to give out their Social Security number in order for the individual to receive any right, benefit, or privilege provided by law. Section 7 of the Privacy Act does not apply to any disclosure that is required by a federal statute. In addition, 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.

The Internal Revenue, Treasury published its inventory of Privacy Act systems of records on August 10, 2012, beginning at 77 FR 47930.

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 IRS 24.046-Customer Account Data Engine Business Master File.

The Internal Revenue Service PIAs can be found at:

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimation is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §220(j)(4)	Form 8851	200,000	2	400,000	3.85	1,540,000
Totals				400,000		1,540,000

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no estimated annual cost burden to the respondent.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The printing and distribution cost is \$900 to the federal government.

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

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.