

SUPPORTING STATEMENT

Internal Revenue Service

Disclosure of Returns and Return Information by Other Agencies

OMB # 1545-1757

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Consolidated Appropriations Act, 2001, Pub. L. No. 106-554 (114 Stat. 2763), was signed into law on December 21, 2000. Section 1 of that Act enacted into law H.R. 5662, the Community Renewal Tax Relief Act of 2000. Section 310 of the Community Renewal Tax Relief Act of 2000 added section 6103(j)(6) to the Code, authorizing the Commissioner to disclose return information to the Congressional Budget Office (CBO) for the purpose of, but only to the extent necessary for, long term models of the Social Security and Medicare programs. SSA, not IRS, collected and maintained much of the information sought by CBO and also received the tax information CBO sought under other provisions of section 6103. However, section 301.6103(p)(2)(B)-1 did not allow the Commissioner to authorize SSA to re-disclose return information properly in its possession to CBO, an authorized recipient of the information under section 6103(j)(6).

On December 13, 2001, IRS issued temporary regulation (REG-105344-01, 66 FR 64386), to enable the Commissioner to authorize Federal, state and local agencies with access to returns and return information under section 6103 of the Internal Revenue Code to re-disclose such returns and return information, with the Commissioner's approval, to any authorized recipient set forth in section 6103 of the Internal Revenue Code, subject to the same restrictions and for the same purposes, as if the recipient had received the information from the IRS directly.

January 21, 2003, IRS published, final regulations (TD 9036, 68 FR 2695), relating to the disclosure of returns and return information by Federal, state and local agencies other than the IRS. The final regulation permits the IRS to authorize agencies with access to returns and return information under section 6103 of the Internal Revenue Code (Code) to re-disclose returns and return information, with the approval of the Commissioner of Internal Revenue (Commissioner), to any authorized recipient set forth in section 6103, subject to the same conditions and restrictions, and for the same purposes, as if the recipient had received the information from the IRS directly.

2. USE OF DATA

This information will be used by the IRS to determine what agencies should be authorized to make disclosures of returns and return information and to enable the IRS to fulfill its reporting requirements regarding disclosures.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS publications, 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.

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**

There are no small entities affected by this collection.

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

The final regulation permits the IRS to authorize agencies with access to returns and return information under section 6103 of the Code to disclose returns and return information, with the approval of the Commissioner, to any authorized recipient set forth in section 6103.

Failure to collect the information will prevent other government agencies from sharing tax information that they already have, between each other.

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**

On December 13, 2001, a notice of proposed rulemaking (REG-105344-01) was published in the Federal Register (66 FR 64386). No comments were received from the public in response to the notice of proposed rulemaking. No public hearing was requested or held. The proposed regulations are adopted by final regulations (TD 9036), published on January 21, 2003.

In response to the **Federal Register Notice** dated **March 22, 2017 (82 FR 14802)**, we received no comments during the comment period regarding TD 9036.

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 sensitive personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 6103 of the Code provides that returns and return information are confidential and cannot be disclosed except as authorized by the Code. Most provisions of the Code authorizing the disclosure of returns and return information provide that the Secretary of the Treasury or his delegate will make the disclosures. Treasury Order 150-10 delegates the authority to administer the Code to the Commissioner of Internal Revenue. Internal Revenue Service Delegation Order 156 provides for delegation of disclosure authority to the appropriate function within the Service. However there are situations where it is more efficient for returns and return information in the possession of another authorized agency recipient to be disclosed by such agency, and not the IRS, to another statutorily authorized recipient. Under regulation 301.6103(p)(2)(B)-1, the IRS must receive a written request seeking authorization for another agency to make the disclosure of returns or return information. Agencies authorized by the IRS to disclose returns and return information in accordance with the authority in section 6103 must keep records of disclosures made to be provided to the IRS so the IRS can comply with its recordkeeping and reporting requirements under Code section 6103(p)(3). We estimate approximately 5 Federal agencies and potentially 11 state and local agencies will make a written request for disclosure of returns and return information by an agency other than the IRS. The burden related to each request is approximately one hour (which includes all of the requirements mentioned above). Since the Paperwork Reduction Act applies only to the burden to state and local agencies, the total burden for this collection of information is 11 hours (1 hour x 11 requests = 11 hours).

Section	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Annual Burden
301.6103(p)(2)(B)-1	11	1	11	1	11
TOTALS	11		11		11

Please continue to assign OMB number 1545-1757 to these regulations.

301.6103(p)(2)(B)-1

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

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.

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 that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulations 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

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.