

Internal Revenue Service
SUPPORTING STATEMENT
OMB # 1545-1209
TD 8383

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 7216 of the Internal Revenue Code of 1986 authorizes the disclosure or use of information by tax return preparers for purposes of quality or peer reviews. Section 7216 authorizes the issuance of regulations for guidance in this matter. Section 301.7216-2(p) contain a requirement that tax return preparers being reviewed will maintain a record of the review, include the information reviewed and the identity of the persons conducting the review.

2. USE OF DATA

The IRS will use the records kept by tax return preparers to monitor the quality and peer review programs.

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. IRS has no plans to offer electronic enabling because this is record keeping requirement.

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 is no flexibility to reduce burden on small businesses or other small entities because the statutes apply to small businesses and small entities.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS

OR POLICY ACTIVITIES

The IRS will use the records kept by tax return preparers to monitor the quality and peer review programs. IRS will be unable to effectively monitor peer review program if this information is collected less frequently.

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

The requirements of §301.7216-2(p) were added by TD 8383 (December 27, 1991 @ 56 FR 66995). A notice of proposed rulemaking was published simultaneously with temporary regulations on January 4, 2010, (75 FR 94, 75 FR 48). These temporary regulations were later removed and finalized by TD 9608 (December 28, 2012 @ 77 FR 76400).

We received no comments during the comment period in response to the *Federal Register* notice (82 FR 48314), dated October 10, 2017 regarding TD 8383.

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

No gifts or payments are being provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and return information are confidential as required by 26 USC 6103.

11. JUSTIFICATIONS OF SENSITIVE QUESTIONS

No sensitive personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 301.7216-2(p) of the regulations contains the requirement that tax practitioners maintain a record of the quality or peer review including the information reviewed and identify the persons conducting the review. The burden estimate reflects the number of tax practitioners (attorneys, accountants, and enrolled agents) who may participate in the voluntary program of quality and peer reviews. It is estimated that 250,000 tax practitioners will maintain records relating to quality or peer reviews, and the average annual recordkeeping burden is 1 hour. The total annual burden is 250,000 hours.

	Number of responses	Time per response	Total hours
Section 301.7216-2(p)	250,000	1	250,000

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 cost to the Federal government is estimated at 2,014.

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 regulation sunsets 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 the 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. section 6103.