

## **SUPPORTING STATEMENT**

### **Internal Revenue Service**

#### **(Form 4810) Request for Prompt Assessment Under Internal Revenue Code Section 6501(d) OMB # 1545-0430**

##### **1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Fiduciaries representing a dissolving corporation or a decedent's estate may request a prompt assessment of tax, as provided by section 6501(d) of the Internal Revenue Code.

##### **2. USE OF DATA**

This form is used to help locate the return and expedite the processing of the taxpayer's request. The information provided by this document is required to meet the criteria for the 18-month statutory period, as described below.

Section 26 USC 601 (d) states that: "The tax shall be assessed, (within 18 months after written request therefor filed after the return is made and filed in such manner and such form as may be prescribed by regulations of the Secretary) by the executor, administrator, or other fiduciary representing the estate of such decedent, or by the corporation, but not after the expiration of 3 years after the return was filed. This is the case, except as otherwise provided in subsection (c), (e), or (f), in the case of any tax (other than the tax imposed by chapter 11 of subtitle B, relating to estate taxes) for which return is required in the case of a decedent, or by his estate during the period of administration, or by a corporation and any proceeding in court without assessment for the collection of such tax shall be begun".

In addition, the subsection shall not apply in the case of a corporation unless—

- (1)
  - (A) such written request notifies the Secretary that the corporation contemplates dissolution at or before the expiration of such 18-month period,
  - (B) the dissolution is in good faith begun before the expiration of such 18-month period, and
  - (C) the dissolution is completed;
- (2)
  - (A) such written request notifies the Secretary that a dissolution has in good faith been begun, and
  - (B) the dissolution is completed; or
- (3) a dissolution has been completed at the time such written request is made

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 4810 cannot be filed electronically, since it's relatively low volume does not justify the cost electronic enabling.

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.

1. 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.

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

Fiduciaries representing a dissolving corporation or a decedent's estate may request a prompt assessment of tax, as provided by section 6501(d) of the Internal Revenue Code.

This form is used to help locate the return and expedite the processing of the taxpayer's request. The information provided by this document is required to meet the criteria for the special 18-month statutory period.

Taxpayers have the right to expect the tax system to consider acts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely as stated in the Taxpayer Bill of Rights.

Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if the IRS has not resolved their tax issues properly and timely through its normal channels. Less frequent collection would affect the timeliness of assessment, which would affect not only the taxpayer negatively, but the Internal Revenue Service and Taxpayer Advocate Service having to invest additional time and resources in the resolution.

1. 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).

2. **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 dated March 19, 2018 (83 FR 12077), we received no comments during the comment period regarding Form 4810.

3. **EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift has been provided to any respondents.

4. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

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

5. **JUSTIFICATION OF SENSITIVE QUESTIONS**

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 PIA’s can be found at <http://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.

6. **ESTIMATED BURDEN OF INFORMATION COLLECTION**

The burden estimation is as follows:

<b>Authority</b>	<b>Description</b>	<b># of Respondents</b>	<b>#Responses per Respondent</b>	<b>Annual Responses</b>	<b>Hours per Response</b>	<b>Total Burden</b>
Sec. 6501(d)	Form 4810	4,000	1	4,000	6.2	24,800
Total		4,000		4,000	6.2	24,800

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

The regulation 301.6501(d)-1 imposes no additional burden. Please continue to assign OMB number 1545-0430 to this regulation.

7. 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.

8. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized start up expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as; complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is summarized in the table below.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>	<u>Printing and Distribution</u>	<u>Government Cost Estimate per Product</u>
Form 4810	11,917		11,917

9. REASONS FOR CHANGE IN BURDEN

There are no changes being made to this form at this time. IRS is making this submission for renewal purposes.

10. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

11. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

IRS believes 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 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 U.S.C. 6103.