

Supporting Statement
Internal Revenue Service

Form 8554 - Application for Renewal of Enrollment to Practice Before the Internal Revenue Service

Form 8554-EP - Application for Renewal of Enrollment to Practice Before the Internal Revenue Service as an Enrolled Retirement Plan Agent (ERPA)
OMB Control No. 1545-0946

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 10.6(d) of Treasury Department Circular No. 230, Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries and Appraisers before the Internal Revenue Service (31 CFR Part 10), requires that those who are enrolled to practice before the Internal Revenue Service renew such enrollment periodically.

Form 8554 is an application for renewal mailed to all enrolled agents each year. Form 8554-EP is used to renew your Enrolled Retirement Plan Agent (ERPA) status.

2. USE OF DATA

The information will be used by the Director of Practice to determine the qualifications of individuals for renewal of enrollment to practice before the Internal Revenue Service. Failure to collect such information will result in the Director of Practice being unable to determine the qualifications of individuals for renewal of enrollment to practice before the Internal Revenue Service.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 8554 and 8854-EP can be filed electronically or through the mail.

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 minimal or no burden on small businesses or Individuals by this collection due to the requirements of the authorizing statute under section 10.6(d) of Treasury-Circular No.230 .

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

Less frequent collection of such information would result in the Director of Practice, unable to determine if the qualifications of individuals for renewal of enrollment to practice before the Internal Revenue Service were met. Tax compliance is a vital part of the government's ability to meet its mission and serve the public.

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 (84 FR 20001), dated May 08, 2019, we received no comments during the comment period regarding these forms.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Return Preparer Office Preparer Directory, RPO Preparer Directory" system and a Privacy Act System of Records notice (SORN) has been issued for these systems under: Treas./IRS 37.111 - Treasury/IRS Preparer Tax Identification Number and Treas./IRS 34.037-IRS Audit Trail and Security Records

System. The Internal Revenue Service PIA's can be found at <https://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.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form 8554 is an application for renewal mailed to all enrolled agents each year. Form 8554-EP is used to renew your Enrolled Retirement Plan Agent (ERPA) status.

It is anticipated for form 8854, there will be approximately 62,000 active enrolled agents 1/3 third of this number required to renew every year based on the last digit of the Enrolled Agent's SSN; and 21,000 for the renewal cycle. Form 8554-EP - there will be approximately 2400 active enrolled retirement plan agents, with 1/3 of the Agent's required to renew every year based on the last digit of the Enrolled Retirement Plan Agent SSN, and 800 for the renewal cycle.

The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC 10.6(d)	Form 8554	62,000	0.33871	21,000	20 minutes	7000
IRC 10.6(d)	Form 8554-EP	2,400	0.33333	800	20 minutes	267
Totals		64,400		21,800		7,267

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0946 to these regulations: 31 CFR Part 10.

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.

*Note- The applicant must pay an application fee of \$30 with the submission of the form. The fee is non-refundable and applies regardless of enrollment status.

Form	Annual Responses	Application Cost per Response	Total Annual Cost
8554	21,000	\$30.00	\$630,000
8554-EP	800	\$30.00	\$24,000
Totals	21,800		\$654,000

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for the form 8854 and form 8854-EP is \$10,000.

15. REASONS FOR CHANGE IN BURDEN

Changes to the burden estimates were due to overstated amounts in the previously approved burden calculations and burden estimates.

The burden estimates are as follows: The total annual burden for Form 8554 should be 7,000 $(21000*20)/60$ and for Form 8554-EP should be 267 $(800*20)/60$

Also, we are making this submission for renewal purposes.

	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 for this IC	21,800	0	0	-74,200	0	96000
Annual IC Time Burden (Hours)	7,267	0	0	-40,733	0	48,000

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 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.