

**Internal Revenue Service
Supporting Statement
Revenue Procedure 97-19
Treasury Decision 9543
OMB Control Number 1545-1899**

11408. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 7502(f)(2) of the Internal Revenue Code provides, in part, that the term "designated delivery service" means any delivery service provided by a trade or business if such service is designated by the Internal Revenue Service (Service). Pursuant to section 7502 the Service may only designate a trade or business that satisfies the requirements of section 7502(f)(2)(A) through (D). To determine whether a trade or business meets (and maintains) those requirements, it must submit relevant information to the Service.

Revenue Procedure 97-19¹ provides the criteria that will be used to determine whether a private delivery service (hereinafter "PDS") qualifies as a designated private delivery service under § 7502(f) of the Internal Revenue Code. This revenue procedure also provides the procedures under which a PDS can apply to become a designated PDS.

Treasury Decision 9543 provides regulations amending Treasury Regulation §301.7502-1 to provide guidance as to the only ways to establish prima facie evidence of delivery of documents that have a filing deadline prescribed by the internal revenue laws, absent direct proof of actual delivery. The regulations provide that the proper use of registered or certified mail, or a service of a private delivery service (PDS) designated under criteria established by the IRS, will constitute prima facie evidence of delivery. The regulations affect taxpayers who mail Federal tax documents to the Internal Revenue Service.

11409. USE OF DATA

This summary statement involves the collection of information regarding a Revenue Procedure as well as a regulation. The collection of information derived from the regulation is necessary in order for taxpayers to be able to establish the postmark date and prima facie evidence of delivery when using registered or certified mail. The Service will use the collection of information derived from the Revenue Procedure to determine whether a PDS initially meets (and continues to meet) the statutory and non-statutory requirements necessary for designation.

11410. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to offer electronic filing. IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and

¹ RP 97-19 was previously included in control number 1545-1535. The tracking of RP 97-19 and TD 9543 was combined under control number 1545-1899.

Restructuring Act of 1998. RP 97-19 is used with such infrequency that it would be inefficient to use government resources to develop electronically filing capabilities related to RP 97-19. TD 9543, which deals with taxpayers who mail in their tax returns and extensions, by definition does not apply in if electronic filing exists. The rise in electronic filing means that fewer taxpayers will use the methods described in TD 9543.

11411. 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 alike.

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

The consequences are that the IRS will have to spend more taxpayer assistance resources to collect this data through other means. This will compromise the Agency's ability to enforce tax compliance. 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

We published Announcement 96-108, 1996-44 I.R.B. 15, as a precursor to the revenue procedure. In the announcement we invited comments and provided notice of a public hearing. We held the public hearing on December 6, 1996. We considered all comments in our drafting of the revenue procedure.

Revenue Procedure 97-19 was published in the **Internal Revenue Bulletin** on March 10, 1997 (Revenue Procedure 97-19,1997-10 I.R.B. 55).

Notice 99-41 (1999-35 IRB 325) and Notice 2001-62 (2001-40 IRB 307), modified the application address in section 6 of RP 97-19.

Notice 2015-38 (2015-21 IRB 984), updated the list of designated private delivery services

("designated PDSs") set forth in Notice 2004-83, 2004-2 C.B. 1030, for purposes of the timely mailing treated as timely filing/paying rule of section 7502 of the Internal Revenue Code, provides rules for determining the postmark date for these services, and provided a new address for submitting documents to the Internal Revenue Service ("IRS") with respect to an application for designation as a designated PDS. Notice 2016-30 further updated the list of designated private delivery services.

A notice of proposed rulemaking (REG-138176-02, 2004-2 C.B. 710) was published in the Federal Register (69 FR 56377) on September 21, 2004. The notice of proposed rulemaking addressed the evidence taxpayers can provide to help establish the delivery of documents to the Service. h. A notice of public hearing on proposed rulemaking was published in the Federal Register (69 FR 68282) on November 24, 2004. A public hearing was held on January 11, 2005. Final regulations (TD 9543) were published on August 23, 2011 (76 FR 52561), in the Federal register.

We received no comments during the comment period in response to the *Federal Register* notice (84 FR 16760), dated April 22, 2019.

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

Information identified as a trade secret by a PDS on its application for designation will remain confidential. Generally, tax returns and tax return information are confidential as required by 26 U.S.C. 6103. However, information set forth in an application for designation is neither a tax return nor tax return information subject to 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Information collected may be in one of two systems.

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 <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

A PIA has also been conducted for information collected under this request as part of the "Individual Master File (IMF)" system and a Privacy Act System of Records Notice (SORN) has been issued for this system under IRS 24.030--Customer Account Data Engine Individual Master File, formerly Individual Master File, and IRS 34.037--IRS Audit Trail and Security Records System.

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

The collections of information in RP 97-19 are in sections 4.03, 5, 9.03, 9.06, 10.01, 11.05, 11.06, and

12.03. This information is required for the Internal Revenue Service to determine whether a private delivery service should be a “designated” private delivery service.

1. Section 4.03--A designated PDS making a delivery subject to section 7502 must record the date on which it receives the item being delivered by one of two methods. Under one of these methods, a PDS must enter into an agreement with the Service to provide the date on which the document was received by the PDS and any other related information concerning the document to the Service. The Service estimates that at most one PDS will use this method per year and will enter into an agreement with the Service. We estimate that it will take 40 hours to enter into agreements with the Service. Further, the Service estimates that it will ask for the dates of approximately 20,000 documents from the designated PDSs. We estimate that it will take two minutes to provide each date to the Service.

Authority	Description	# of Respondents	# Responses per Respondent	Hours per Response	Total Burden
Section 7502	Agreement	1	1	40 hrs.	40 hrs.
Section 7502	Documents	1	20,000	2 Mins.	667 hrs.
Totals					707 hrs.

2. Section 5--A PDS must submit a written application to the Service to become "designated." Many of the PDSs that would potentially qualify have already become "designated," so we do not have many new requests annually. The Service estimates that the application process will take approximately ten hours.

Authority	Description	# of Respondents	# Responses per Respondent	Hours per Response	Total Burden
Section 5	Application	1	1	10 hrs.	10 hrs.
Totals					10 hrs.

3. Section 9.03--A PDS, denied designation, may obtain an administrative review of the denial by providing a written response to the Service. The Service estimates that if it denies a designation to a PDS, that a request for an administrative review will take 15 hours per respondent.

Authority	Description	# of Respondents	# Responses per Respondent	Hours per Response	Total Burden
Section 9.03	Administrative review	1	1	15 hrs.	15 hrs.
Totals					15 hrs.

4. Section 9.06--If the Service confirms a denial of designation, the PDS may appeal by submitting to the Service: (1) a written explanation with supporting documentation, (2) a copy of the original application, (3) a copy of the letter from the Service denying the initial application, (4) a copy of the PDS's request for administrative review, and (5) a copy of the Service's confirmation of the denial following the administrative review. The Service estimates that it will confirm an administrative denial no more than ONCE per calendar year and that it will take the PDS 24 hours to effectuate its appeal.

Authority	Description	# of Respondents	# Responses per Respondent	Hours per Response	Total Burden
Section 9.06	Appeal	1	1	24 hrs.	24 hrs.
Totals					24 hrs.

5. Section 10.01--A PDS must provide written notification to the Service if any information in its application changes. The Service estimates that one PDS might have a change in information and that it will take approximately 30 minutes for that PDS to notify the Service.

Authority	Description	# of Respondents	# Responses per Respondent	Hours per Response	Total Burden
Section 10.01	Notification of changes	1	1	.5 hrs.	.5 hrs.
Totals					.5 hrs.

6. Section 11.05--If a designated PDS advertises its designation by audio or video media, it must pre-record the advertisement and retain it for 36 months. The Service estimates that the three providers of PDSs may make four nonidentical recordings each during a year and that it will take three hours for a PDS to effectuate the storage of each broadcast for 36 months.

Authority	Description	# of Respondents	# Responses per Respondent	Hours per Response	Total Burden
Section 11.05	Advertise designation (record keeping)	3	4	3 hrs.	36 hrs.
Totals					36 hrs.

7. Section 11.06--If a designated PDS advertises its designation by written media, the PDS must retain a copy of the advertisement and prepare and retain a list or other description of the persons to whom the communication was directed for 36 months. The Service estimates that the three providers of PDSs may make four nonidentical advertisements each by written media during a year. Further, the Service estimates that it will take two hours to make each related list and that it will take three hours for a PDS to effectuate the storage of each advertisement for 36 months.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our *Federal Register* notice dated April 22, 2019, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

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, distributing, and overhead for this Form is \$1,500.

15. REASONS FOR CHANGE IN BURDEN

We have reduced the number of annual occurrences for sections 4.03, 5, 6 and 7 because there are now fewer PDSs in need of using those portions of the Rev. Proc. When Rev. Proc. 97-19 was first published, the Service estimated that several PDSs would endeavor to be designated, but the designation does not occur annually. Because the number of PDSs available in the United States has not changed significantly, and because the designated PDSs do not need to be re-designated annually, there are fewer PDSs applying each year for those sections. Accordingly, we have included the estimate of hours needed for when we do receive one, which does happen occasionally.

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 revenue procedure 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 26 U.S.C. 6103.