

SUPPORTING STATEMENT
Internal Revenue Service
Form 8498

Program Sponsor Agreement for Continuing Education for Enrolled Agents
(Form 8498)

OMB Control No. 1545-1459

CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 10.6(g) 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 those who desire to qualify as a sponsor of continuing professional education programs for enrolled agents to file an application to be recognized by the Director of Practice.

Form 8498 is used to register as a new provider of continuing educational programs being offered to IRS enrolled agents, renewal application for Enrolled Agents.

USE OF DATA

The information will be used by the Director of Practice to determine the qualifications of those seeking to present continuing professional educational programs for those individuals enrolled to practice before the Internal Revenue Service.

USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 8498 cannot be filed electronically, since its relatively low volume does not justify the cost electronic enabling. However, Form 8498 is an electronic only product accessible from Catalog/CROPP.

EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There are no small entities affected by this collection.

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

The consequences for not collecting this information will prevent those who desire to qualify as a sponsor of continuing professional education programs. Failure to collect such information will result in the Director of Practice being unable to determine the qualifications of those presenting continuing professional education programs for individuals enrolled to practice before the Internal Revenue Service.

. 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).

. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 8498.

In response to the Federal Register notice dated October 16, 2019, (84 FR 54949), we received no comments during the comment period regarding Form 8498.

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

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 <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.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form 8498 is filed by those who desire to qualify as a sponsor of continuing professional education programs for enrolled agents to file an application to be recognized by the Director of Practice. It is estimated that the number of respondents will be approximately 800 . Each response is estimated to take approximately 36 minutes to complete. The total burden is 480 hours.

The burden estimate is as follows:

Authority (IRC)	Form	Number of Responses	Time Per Response	Total Annual Burden Hours
§10.6	8498	800	36 mins.	480
Totals		800	36 mins.	480

The following regulations impose no additional burden. Please continue to assign OMB number 1545-1459 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 \$460 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
8498	800	\$460.00	\$368,000
Totals	800		\$368,000

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 is \$100.

- New Product costs will be included in the next collection update.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the form or burden estimates previously approved by OMB. This submission is for renewal purposes.

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 form 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.