

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
REG-111583-07 (TD 9405) (Final)—Employment Tax Adjustments;
REG130074-11-(TD 9645) Rules Relating to Additional Medicare Tax
OMB Number 1545-2097

25872. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The collection of information contained in TD 9405 relates to employment tax adjustments and employment tax refund claims. The final regulations modify the process for making interest-free adjustments for both underpayments and overpayments of Federal Insurance Contributions Act (FICA) and Railroad Retirement Tax Act (RRTA) taxes and Federal income tax withholding (ITW) under sections 6205(a) and 6413(a), respectively, of the Internal Revenue Code (Code). These regulations also modify the process for filing claims for refund of overpayments of employment taxes under sections 6402 and 6414.

The Treasury Decision also relates to the return requirements under section 6011 to reflect the changes to the adjustment and refund processes, and to reflect additional statutory and process updates. This document also contains final regulations under section 6302 to clarify deposit obligations with respect to interest-free adjustments of underpayments and the effect of adjustments and refunds on the deposit schedule of a Form 943 filer.

REG-130074-11, Rules Relating to Additional Medicare Tax, proposes to amend the regulations under 6011, 6205, 6402, and 6413 to reflect changes in return requirements and the interest-free adjustment and claims processes for the new Additional Medicare Tax, as added by the Affordable Care Act. While the collection of information in REG-130074-11 is not new (i.e., the current regulations already require the collection of information), it will be expanded to cover the new Additional Medicare Tax. The most significant change from the approved collection (i.e., OMB 1545-2097) regards the final regulations under section 6011, which direct individual taxpayers to report Additional Medicare Tax on their individual tax returns.

25873. USE OF DATA

The data is used by the IRS to certify the reporting adjustments of employment taxes on regularly filed employment tax returns.

25874. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission.

25875. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available or use or adaption from another source.

25876. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

This collection of information will not have a significant impact on a substantial number of small businesses or other entities.

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

The information required is needed to verify compliance with sections 6011, 6205, 6302, 6402, 6413, and 6414 of the Internal Revenue Code of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting its mission.

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 dated July 30, 2019 (84 FR 37009), we received no comments during the comment period regarding these regulations.

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

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

This information is required to verify compliance with return requirements under section 6011, employment tax adjustments under section 6205 and 6413, and claims for refund of overpayments of employment taxes under section 6402 and 6414.

	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
TD 9405	Employment Tax Adjustments	1,500,000	1	1,500,000	10	15,000,000
TD 9465	Rules Relating to Additional Medicare Tax-Individual	1,575,000	1	1,500,000	1	1,575,000
TD 9465	Rules Relating to Additional Medicare Tax-Business	325,000	1	325,000	1	325,000
	Totals	3,400,000		3,400,000		16,900,000

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

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.

15. REASONS FOR CHANGE IN BURDEN

There are no changes being made to the notice or burden estimates at this time.

	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	3,400,000	0	0	0	0	3,400,000
Annual IC Time Burden (Hours)	16,900,000	0	0	0	0	16,900,000

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

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form 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.