SUPPORTING STATEMENT

Internal Revenue Service

(Form 8453-R) Electronic Filing Declaration for Form 8963

OMB #1545-2253

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This form was established under Section 9010 of the Patient Protection and Affordable Care Act (PPACA), Public Law No. 111-148 (124 Stat. 119 (2010)), as amended by section 10905 of PPACA, and as further amended by section 1406 of the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (124 Stat. 1029 (2010), which requires any covered entity engaged in the business of providing health insurance related to United States health risks must annually report its net premiums. The purpose of the form is to authenticate the electronic filing of Form 8963, Report of Health Insurance Provider Information.

2. USE OF DATA

The IRS will use Form 8453-R to authenticate the electronic filing of Form 8963.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

 The agency has made Form 8453-R available and is accepting

 Form 8453-R electronically.

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

 The collection of information requirement will not have a

 significant economic impact on a substantial number of small

 entities.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR

 POLICY ACTIVITIES

 If the Internal Revenue Service (IRS) did not collect this

 information, the IRS will not be able to authenticate the

 electronic filing of Form 8963 and would not be able meet 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 January 24, 2020

 (85 FR 4355), we received no comments during the comment period

 regarding Form 8453-R.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO

 RESPONDENTS

 No payment or gift will be 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

 The burden estimate is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Authority** | **Description** | **# of Respondants** | **# Responses per Respondant** | **Annual Responses** | **Hours per Response** | **Total Burden** |
| Public Law 111-152 | Form 8453-R, Electronic Filing Declaration for Form 8963 | 2,550 | 1 | 2,550 | 1.62 | 4,131 |

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. 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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Product** | **Aggregate Cost per Product (factor applied)** |  | **Printing and Distribution** |  | **Government Cost Estimate per Product** |
|  Form 8453-R | 10,936 | + |  | = | 10,936 |
|  Instructions |  |  |  |  |   |
| **Grand Total** |  **10,936** |  |  |  | **10,936** |
| Table costs are based on 2018 actuals obtained from IRS Chief Financial Office and Media and Publications |
| \* New product costs will be included in the next collection update.  |

15. REASONS FOR CHANGE IN BURDEN

There is no change to the paperwork burden previously approved by OMB. IRS is making this submission 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

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 IRS 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 for this

 collection.

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.