

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Tax Information Authorization and IRS Disclosure Authorization for Victims of Identity Theft
Form 8821 and Form 8821-A
OMB Number 1545-1165

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

26 USC 6103(c) allows the IRS to disclose confidential tax information concerning a taxpayer to a designee of the taxpayer. This request must be in writing.

Form 8821 authorizes any individual, corporation, firm, organization, or partnership designated to inspect and/or receive confidential information for the type of tax and the years or periods listed on Form 8821.

Form 8821-A is an authorization signed by the taxpayer allowing the IRS to disclose the taxpayer's return, any purported return, and other related return information to state or local law enforcement in the event of possible identity theft. It may not be used for any other purpose.

2. USE OF DATA

The forms are used by the IRS to identify appointees of a taxpayer and to ensure that an unauthorized disclosure is not made.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing is available for Form 8821 and Form 8821-A. Forms 8821 and Form 8821-A are fillable online by accessing irs.gov, can be faxed, and an appointee may be able to file Form 8821 electronically with the IRS from the IRS website (information can be found on e-services-Online Tools for Tax Professionals).

4. EFFORTS TO IDENTIFY DUPLICATION

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

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

Small businesses should not be disadvantaged as the requirements are structured to request the least amount of information and still satisfy the requirements of the statute and the needs of the Service.

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

The information required is needed to verify compliance with section 6103 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.

1. 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 February 21, 2020 (85 FR 10263), 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

In accordance with the Privacy Act of 1974, Treasury has published its complete Privacy Act systems of records notices, which include all maintained records systems as of January 2, 2014; six systems have been amended, altered, or added since April 20, 2010, when the complete notices were last published. See 79 F.R. 209-261 and 79 F.R. 183-206, which was published on January 2, 2014.

A privacy impact assessment (PIA) has 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. The Internal Revenue Service PIAs can be found at <https://www.treasury.gov/privacy/PIAs/Pages/default.aspx> .

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.

The Privacy Notice is included in the forms instructions.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Form 8821:

The time needed to complete the form and file this form on paper will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 6 min.; Learning about the law or the form, 12 min.; Preparing the form, 24 min.; Copying and sending the form to the IRS, 20 min.

Form 8821-A:

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 9 minutes.

Form Number	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden Hours
8821	Tax Information Authorization	672,990	1	672,990	1 hr, 3 minutes	706,640
8821-A	IRS Disclosure Authorization for Victims of Identity Theft	182	1	182	9 minutes	27
Totals		673,172		673,172		706,667

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

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 Form 8821 is summarized in the table below, it is not

available for Form 8821-A. The 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.

Product	Aggregate Cost per Product (factor applied)	Printing and Distribution	Government Cost Estimate per Product
Form 8821	16,586	0	16,586
Instructions -Form 8821	2,739	0	2,739
Grand Total	19,325	0	19,325
Table costs are based on 2016 actuals obtained from IRS Chief Financial Office and Media and Publications			
* New product costs will be included in the next collection update.			

1. REASONS FOR CHANGE IN BURDEN

There have been no changes to the forms that would affect burden. The number of estimated responses is based on the agencies most recent filing data. Form 8821 estimates have increased by 539,657 responses (133,333 to 672,990 responses). The changes in response estimates increased burden from 140,330 hours to 708,154 hours (567,854 hours). Form 8821-A decreased by 49,818 responses (50,000 to 182). The estimates in responses change the overall burden estimates from 15,000 to 27 (7,473). These changes result in an overall hourly burden increase of 558,840 hours (147,800 to 706,640) and response/respondent increase of 489,839 responses (183,333 to 673,172). The difference in Form 8821-A filings is due to an over estimation that never came to fruition. The form is only used by CI in their work with other state and local law enforcement agencies.

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.