

**Supporting Statement**  
**Internal Revenue Service**  
**(TD 8855) Communications Excise Tax; Prepaid Telephone Cards (PTC)**  
**OMB # 1545-1628**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

In accordance with Internal Revenue Code § 6103, Confidentiality and disclosure and Section 4251(d) imposes a tax on the transfer of prepaid telephone cards (PTCs) by a telecommunications carrier to a person that is not a carrier.

Section 4251(d) of the Code was added by the Taxpayer Relief Act of 1997.

Section 49.4251-4(d)(2) of the regulations requires a carrier transferring a PTC to another carrier to obtain and retain a statement signed by the purchaser to document the purchaser's status as a carrier.

**2. USE OF DATA**

The data will be used by the Internal Revenue Service to verify that a transfer of a prepaid telephone cards is not a taxable event.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

IRS publication, regulations, notices and letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998. We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling.

**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 ACITIVITIES**

A less frequent collection of this information would not enable the Internal Revenue Service to determine if there has been a taxable event per Code of Federal Regulation Section 49.4251-4(d)(2) and thereby hindering the Internal Revenue Service 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 May 21, 2020 (85 FR 31028), IRS received no comments during the comment period regarding TD 8855.

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 under 26 U.S.C. 6103.

11. **JUSTIFICATION OF SENSITIVE QUESTIONS**

No personally identifiable information (PII) is collected.

12. **ESTIMATED BURDEN OF INFORMATION COLLECTION**

Section 49.4251-4(d)(2) of the regulations requires carriers to obtain and retain statements provided by purchasers that are carriers to avoid responsibility for collecting tax. We estimate that 8 carriers will obtain and retain an average of 12 statements each, for a total of 96 statements retained, and it will take them 0.1 hour to retain each statement. The total burden for the recordkeeping requirement is 9.6 hours.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
49.4251-4(d) (2)	Recordkeeping/Reporting	96	1	96	.35	34
<b>Totals</b>		<b>96</b>		<b>96</b>		<b>34</b>

The following regulations impose no additional burden. Please continue to assign OMB number 1545-1628 to these regulations:  
49.4251-4(d)(2)

**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 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 regulation 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.