

**1SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**Form 15597**  
**Foreclosure Sale Purchaser Contact Information Request (Form 15597)**  
**O.M.B. Control No. 1545-2199**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 15597, Foreclosure Sale Purchaser Contact Information Request, is information requested of individuals or businesses that have purchased real property at a third-party foreclosure sale. If the IRS has filed a "Notice of Federal Tax Lien" publicly notifying a taxpayer's creditors that the taxpayer owes the IRS a tax debt, AND a creditor senior to the IRS position later forecloses on their creditor note (such as the mortgage holder of a taxpayer's primary residence) THEN the IRS tax claim is discharged or removed from the property (if the appropriate foreclosure rules are followed) and the foreclosure sale purchaser buys the property free and clear of the IRS claim EXCEPT that the IRS retains the right to "redeem" or buy back the property from the foreclosure sale purchaser within 120 days after the foreclosure sale. Collection of this information is authorized by 28 USC 2410 (Actions affecting property on which United States has lien) and IRC 7425 (Discharge of Liens: Scope & Application).

The IRS only "redeems" if, after an investigation, the IRS determines that the mortgage that was sold left enough equity (and in today's depressed market) there is enough equity left in the property that if the IRS buys the property from the foreclosure sale purchaser and resells that property - that the IRS sale will reach that extra equity and the IRS then repays the revolving fund (a permanent fund the IRS has to make such purchases) and still has sufficient sale dollars to apply to the taxpayer's liability. If there was enough in the sale fund received - and the taxpayer's liability is fully paid - and there are still sale funds available - then those funds can be claimed by other creditors.

2. USE OF DATA

The IRS needs to be able to be in touch with and deliver the "redemption" check to buy the property. The form asks for that information to be able to complete the sale. There have been situations where the foreclosure sale purchaser has "evaded" the IRS - in these cases Counsel has accompanied the advisor to redeem the property and proffer the check. The information is kept in the taxpayer case file. There is 2 year retention on closed case files. If the IRS purchases the property from the foreclosure sale purchaser, then there will be paperwork filed at the register of deeds (IRS can only redeem real estate - not personal property). The paperwork filed at the register of deeds will show the IRS name and the foreclosure sale purchaser's name.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 15597 is only utilized when the IRS is contemplating the redemption of a property. The taxpayer is instructed to attach Form 15597 to Letter 5597 and return it to the IRS; in this case electronic filing isn't practicable because of the evaluative nature of the determination and the low volume of filers.

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

There is no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity.

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

A less frequent collection will not enable the IRS to proceed in situations where the IRS is contemplating redemption in accordance with Title 28 USC 2410 and IRC 7425.

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 INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

In response to the Federal Register notice (85 FR 47291), dated August 4, 2020, we received no comments during the comment period regarding this form.

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.

The IRS needs to be able to be in touch with and deliver the "redemption" check to buy the property. The form asks for that information to be able to complete the sale. If there is any problem - the check is put in an escrow fund and Counsel assists the IRS in crafting the redemption paperwork to be recorded with the appropriate registrar's office to complete the redemption. Then the IRS sale moves forward.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

There is no sensitive personally identifiable information (PII) in this collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form 15597 was created to request contact information from a foreclosure sale purchaser when the IRS is considering the redemption of a property.

The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Title 28 USC 2410 and IRC 7425	Form 15597	150	1	150	4.086	613
Totals						

The following regulations impose no additional burden. Please continue to assign OMB number 1545-2199 to this regulation.  
301.7425-4

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 primary cost to the government consists of the cost of mailing Form 15597. We

estimate that the annual cost of mailing the form is \$1,056.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

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 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.