

Supporting Statement  
Internal Revenue Service  
(Form 5330) Return of Excise Taxes Related to Employee Benefit Plans  
OMB No. 1545-0575

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code sections 4971, 4972, 4973(a)(3), 4975, 4976, 4977, 4978, 4978A, 4978B, 4979, 4979A, and 4980 impose excise taxes on certain employers with employee benefit plans. Form 5330 is used to compute and collect these taxes.

**2. USE OF DATA**

The data is used by IRS to verify that the proper amount of tax has been reported.

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

Due to the low number of filers, the IRS has no plans to offer electronic filing for this collection.

**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**

The IRS uses the information entered on Form 5330 to establish the entity's filing and reporting requirements for Federal tax purposes. The form provides a vehicle for reporting required information and payment of the amount of taxes legally due. The collection of this information gives IRS the opportunity and ability to timely collect required information and the proper revenue needed to support the Federal government thereby allowing the IRS to 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 collections to be inconsistent with guidelines in 5 CFR 1320(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 September 17, 2020 (85 FR 58110), IRS received no comments during the comment period regarding Form 5330.

### 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

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Returns Inventory and Classification System (RICS)" and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 34.037-IRS Audit Trail and Security Records System; IRS 50.222, Tax Exempt/Government Entities (TE/GE) Case Management Records. The Internal Revenue Service PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>

The taxpayer's SSN or EIN (not both) is used to identify who is the owner of the business if they file with an EIN. 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.

### 12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC § 4971, 4972, 4973(a) (3), 4975, 4976, 4977, 4978, 4978A, 4978B, 4979, 4979A, and 4980	Form 5330	8,403	1	8,403	64.28	540,145
Totals				8,403		540,145

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0575 to these regulations.

53.4972-1	54.4975-7	54.6011-1T
53.6161-1(c)	54.6011-1(a) & (b)	54.6071-1T

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 startup 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.

<b>Product</b>	<b><u>Aggregate Cost per Product (factor applied)</u></b>		<b><u>Printing and Distribution</u></b>		<b><u>Government Cost Estimate per Product</u></b>
Form 5330	14,581	+	3,717	=	18,298
(Instruction) Form 5330	5,923				5,923
Instructions					
<b>Grand Total</b>	<b>20,504</b>				<b>24,221</b>
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.