

Supporting Statement
Internal Revenue Service
Rev. Proc. 99-21, Disability Suspension
OMB Control Number 1545-1649

(1) CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) Section 6511(h) (which was added by section 3203 of the Internal Revenue Service Restructuring and Reform Act of 1998), details the statute of limitations on claims for credit or refund is suspended for any period of an individual taxpayer's life during which the taxpayer is unable to manage his or her financial affairs because of a medically determinable mental or physical impairment, if the impairment can be expected to result in death, or has lasted (or can be expected to last) for a continuous period of not less than 12 months. Section 6511(h)(2)(A) requires that proof of the taxpayer's financial disability be furnished to the Internal Revenue Service.

The collections of information in this revenue procedure are in section 4 of the revenue procedure. Section 4 provides that in order for a person to claim that an individual taxpayer was financially disabled for purposes of § 6511(h), the following statements are to be submitted to the IRS with the claim for credit or refund of tax:

(1) a written statement by a physician (as defined in § 1861(r)(1) of the Social Security Act, 42 U.S.C. § 1395x(r)), qualified to make the determination that sets forth:

(a) the name and a description of the taxpayer's physical or mental impairment;

(b) the physician's medical opinion that the physical or mental impairment prevented the taxpayer from managing the taxpayer's financial affairs;

(c) the physician's medical opinion that the physical or mental impairment was or can be expected to result in death, or that it has lasted (or can be expected to last) for a continuous period of not less than 12 months;

(d) to the best of the physician's knowledge, the specific time period during which the taxpayer was prevented by such physical or mental impairment from managing the taxpayer's financial affairs; and

(e) the following certification, signed by the physician:

I hereby certify that, to the best of my knowledge and belief, the above representations are true, correct, and complete.

(2) a written statement by the person signing the claim for credit or refund that no person, including the taxpayer's spouse, was authorized to act on behalf of the taxpayer

in financial matters during the period described in paragraph (1)(d) of this section. Alternatively, if a person was authorized to act on behalf of the taxpayer in financial matters during any part of the period described in paragraph (1)(d), the beginning and ending dates of the period of time the person was so authorized.

(2) **USE OF DATA**

The collections of information in this revenue procedure are in section 4 of the revenue procedure. This information is required by the IRS to determine whether the statute of limitations on claims for credit or refund is suspended for any period of an individual taxpayer's life due to the taxpayer's financial disability.

(3) **USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

The IRS has no plans to offer electronic enabling because this collection is a notification of the rules detailing the suspension of the statute of limitations on claims or refunds, when a taxpayer is unable to manage his or her financial affairs.

(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 IRS proactively works with both internal and external stakeholders to minimize the burden on small businesses, while maintaining tax compliance. The Agency also seeks input regarding the burden estimates from the public via notices and tax product instructions. This information collection is for individual taxpayers; therefore, there will be minimal if any impact to small businesses.

(6) **CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

The information required is needed to verify compliance with the Internal Revenue Code of the Treasury Regulations (IRC 6511). 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.

(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 25, 2021 (86 FR 6969), we received no comments during the comment period regarding TD 8043.

(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 return information are confidential under 26 U.S.C. 6103.

(11) JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Business Master File (BMF)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

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

Rev. Proc. 99-21 Section 4 requires that in order for a person to claim that an individual taxpayer was financially disabled they must provide the requested information to the IRS to make a claim for either a credit or a refund of tax. The IRS estimates that 24,100 individual taxpayers (or their representatives) and 24,100 physicians will file the information required in section 4 of the revenue procedure. Thus, the estimated number of respondents is 48,200. The estimated annual burden per respondent will vary from 15 minutes to 45 minutes, depending on individual circumstances, with an estimated average of 30 minutes. Thus, the estimated total annual reporting burden is 24,100 hours.

Authority	Number of responses	Time per response	Total burden hours
Section 6511(h)(2)(A)	Taxpayer 24,100	.5 hrs.	12,050
Section 6511(h)(2)(A)	Physician 24,100	.5 hrs.	12,050
Total	48,200		24,100

The following regulation impose no additional burden. Please continue to assign OMB number 1545-1649 to this regulation:

601.105

(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 in the paperwork burden previously approved by OMB. IRS is 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

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 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.