

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
Form 2678, Employer/Payer Appointment of Agent  
OMB Control Number **1545-0748**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code (IRC) Section 3504 authorizes a fiduciary, agent or other person to file returns, make deposits, and payments of employment or other withholding taxes.

Form 2678, Employer/Payer Appointment of Agent, is used to request approval to have an agent file returns, make deposits or payments of Federal Insurance Contributions Act taxes, Railroad Retirement Tax Act taxes, income tax withholding, or backup withholding. The form can also be used to revoke an existing appointment. A separate Form 2678 must be submitted for every employer for whom the agent is to act.

**2. USE OF DATA**

Form 2678 advises the Internal Revenue Service that an employer is authorizing an agent to file his/her employment taxes or backup withholding. The information provided on the Form 2678 allows the Service to update our records as to the correct filing liability of each party.

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

Since this form is not revised on an annual basis; electronic filing has not been enabled. With that said electronic filing will be assessed if a revision is required in the future.

**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**

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. The Agency will continue to as applicable find ways to reduce the burden on small businesses or other small entities.

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

A less frequent collection of this information would not allow the Internal Revenue Service to be aware that an employer is authorizing an agent to file his/her employment taxes or backup withholding. The information provided on Form 2678 allows the Service to stay abreast of the identity of the agent representing the employer in question.

**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 December 1, 2020 (85 FR 77341), 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**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master file (BMF)" and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 – Electronic Filing Records; IRS 24.030 – Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's 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**

Taxpayers use this form if they want to request approval to have an agent file returns and make deposits or payments of employment or other withholding taxes or if they want to revoke an existing appointment.

Authority	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
IRC § 3504	Form 2678	6,130,000	1	6,130,000	2.24	13,731,200
<b>Totals</b>		<b>6,130,000</b>		<b>6,130,000</b>		<b>13,731,200</b>

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0748 to this regulation.

31.3504-1(b)
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**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. At the present time, the IRS estimates an annual cost of printing to be \$15,401.

<b>Product</b>	<b>Labor &amp; Downstream Impact Costs</b>	<b>Print &amp; Shipping Costs</b>	<b>Government Cost Estimate per Product</b>
5308	\$ 15,401	\$ 0	\$15,401
<b>Grand Total</b>	<b>\$ 15,401</b>	<b>\$ 0</b>	<b>\$15,401</b>

**1. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB.

2. **PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

There are no plans for tabulation, statistical analysis, and publication.

3. **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.

4. **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.