

Internal Revenue Service
SUPPORTING STATEMENT
Form 2587, Application for Special Enrollment Examination
OMB Control Number 1545-0949

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 10.4(a) of Treasury Department Circular No. 230 (31 U.S.C §330. Practice before the Department), Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries and Appraisers before the Internal Revenue Service (31 CFR, Part 10), provides that enrollment to practice before the Internal Revenue Service may be granted to individuals who demonstrate special competence in tax matters by written examination administered by the Internal Revenue Service. This information is collected primarily electronically. Candidates can also provide information as hard copy or call it in over the telephone.

Form 2587 is used by individuals to apply to take the Special Enrollment Examination.

2. USE OF DATA

The information will be used by the Director, Return Preparer Office, to identify those individuals seeking to take the Special Enrollment Examination to establish eligibility for enrollment to practice before the Internal Revenue Service. Failure to collect such information will result in the Director, Return Preparer Office, being unable to determine the names and addresses of those individuals wishing to take the Special Enrollment Examination and to plan for the administration of the examination. All applicants need a Preparer Tax Identification Number (PTIN) to register for the examination.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 2587 can be electronically filed through an IRS enrolled agent and by registering for the examination. Applicants have 3 ways to register; one which includes an on-line option through a third-party vendor ([https://www.prometric.com/see.](https://www.prometric.com/see)), call/fax, or mail the completed form.

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 minimal to no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute under 31 CFR part 10 to this type of entity.

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

Consequences of less frequent collection on federal programs or policy activities would result in the Director of Practice being unable to determine the names and addresses of those individuals wishing to take the Special Enrollment Examination and to plan for the administration of the examination.

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 (86 FR 36318) dated July 9, 2021, we received no comments during the comment period regarding Form 2587.

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 and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 37.009 – Enrolled Agent. The Internal Revenue Service PIAs can be found at <http://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

The collection of information will be used by the Director, Return Preparer Office, to identify those individuals seeking to take the Special Enrollment Examination to establish eligibility for enrollment to practice before the Internal Revenue Service.

The burden is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Time per Response (Hours)	Total Burden Hrs.
31 CFR Part 10	Form 2587	15,643	1	15,643	.10	1,564
Totals		15,643		15,643		1,564

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0949 to these regulations.

1320.8(b)(3) and 1320.9

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The examination is offered in three parts and is administered by Prometric. The respondents and or applicants taking the examination is charge a fee of \$185.00 for each of the three parts of the examination. The examination fee is nonrefundable.

Cost to respondents/applicants as follows:

Description	Cost to Respondent	Three-part examination	Total Cost per/Respondent	Number of Respondents	Total Cost to Respondents
Application Fee	\$185.00	3	\$555.00	15,643	\$8,681,865

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The Federal government cost estimate for this form is \$5,000.00, based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized start-up 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.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>	<u>Printing and Distribution</u>	<u>Government Cost Estimate per Product</u>
Form 2587	\$5,000	\$0	\$5,000
Grand Total	\$5,000	\$0	\$5,000

Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications

15. REASONS FOR CHANGE IN BURDEN

Changes in burden previously approved by OMB resulted from an adjustment to estimates made by the Department reflecting the increased number of responses based on its most recent data on Form 2587 filings, from 11,000, to 15,643. The total annual burden hours increased from 1,100 to 1,564.

Also, we are making this submission to renew the OMB approval.

Annual Responses and Burden with Changes

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	15,643	0	0	4,643	0	11,000
Annual Time Burden (Hours)	1,564	0	0	464	0	1,100
Annual Out-of-pocket Cost Burden (Dollars)	0	0	0	0	0	0

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 / 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.