

Supporting Statement  
Internal Revenue Service  
Form 2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts  
and Form 2210-F, Underpayment of Estimated Tax by Farmers and Fishermen  
OMB Control Number 1545-0140

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Under Internal Revenue Code section 6654 and regulations section 1.6654-1 (Underpayment of Estimated Tax by Individuals, Estates, and Trusts), a taxpayer is liable for a penalty if he or she does not estimate and pay the correct amount of tax for the taxable year. Forms 2210 for individuals, trusts, and estates, and 2210-F for farmers and fisherman, are used to figure the amount of tax that should have been paid and compute the penalty, if applicable.

2. USE OF DATA

These forms contain data needed by the Service to verify whether the penalty for underpayment of tax applies, and if so, whether the penalty is properly computed.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are currently offering electronic filing on Forms 2210 and 2210-F.

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 or no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute under section 6654-1 to this type of entity.

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

A less frequent collection would result in the IRS being unable to determine the correct amount of tax that should have been paid by individuals, trust and estates, unable to compute the correct amount of penalty, if applicable and could result in the IRS being unable to meet its mission.

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).

2. 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 July 23, 2021 (86 FR 39101), we received no comments during the comment period regarding Forms 2210 and 2210-F.

3. 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

This is an attachment to the Federal tax return. The Privacy Act statement associated with this Form is listed in the Federal tax return instructions.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form 2210 and 2210-F are used by individuals, estate, or trust, farmers, and fishermen to calculate whether or not you owe a penalty for underpaying of Estimated Tax.

Burden Estimate as follows:

<b>Form</b>	<b>Number of Respondents</b>	<b>Responses per Respondent</b>	<b>Annual Responses</b>	<b>Hours per Response</b>	<b>Total Burden</b>
Form 2210	80,000	1	80,000	1.37	109600
Form 2210-F	150	1	150	1.71	257
<b>Totals</b> <b>*Rounding difference</b>	<b>80,150</b>		<b>80,150</b>		<b>109.857</b>

The above estimates are for estate and trust, farmers and fishermen filers on Form 2210 and 2210-F. Burden related to attaching these forms to individuals' tax return is accounted for under the OMB number 1545-0074 Individuals Income tax returns.

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-0140 to this regulation.

1.6654-1

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 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.

<b>Product</b>	<b>Aggregate Cost per Product (factor applied)</b>		<b>Printing and Distribution</b>		<b>Government Cost Estimate per Product</b>
Form 2210	64,684	+	1,145	=	65,829
Form 2210 Instructions	13,861	+	638	=	14,499
Form 2210-F	35,541	+	0	=	35,541
Form 2210-F Instructions	45,109	+	0	=	45,109
<b>Grand Total</b>	<b>159,195</b>		<b>1,783</b>		<b>160,978</b>
Table costs are based on 2020 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

The change in burden resulted from an adjustment to estimates made by the Department in the decreased number of responses based on its most recent filing data. In prior submissions form 2210 was entered as two forms a long and short form. There were two methods (a regular and short method) embedded into one form. The current revision which updated the design of the form no longer specifies a short or long method; the filers are counted by type of filers (not short or long method). These estimates resulted in a decrease in filers, from 125,000, to 80,150 and total annual burden hours decreased from 496,337 to 109,857.

	<b>Requested</b>	<b>Program Change due to New Statute</b>	<b>Program Change due to Agency Discretion</b>	<b>Change due to Adjustments in Agency Estimate</b>	<b>Previously Approved</b>
Annual number of Responses	80,150	0	0	-44,850	125,000
Annual Time Burden	109,857	0	0	-386,480	496,337

These burden estimates are for Estate and Trust Filers under 1545-0140 and the individual filers are captured under 1545-0074 in the individual income tax bucket.

Also, 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.

1. 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 Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

2. EXCEPTION 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.