

SUPPORTING STATEMENT
Internal Revenue Service
Returns Required on Magnetic Media
OMB # 1545-0957

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 6011(e)(2)(A) of the Internal Revenue Code, as amended by Section 7713 of the Revenue Reconciliation Act of 1989, Pub. L. 101 239 (1989), 103 Stat. 2106, requires certain filers of information returns to report these on magnetic media.

Filers who seek relief from this requirement can use Form 8508 to request a waiver for a specific time. IRS will review the information contained on Form 8508 to decide as to approval.

2. USE OF DATA

Form 8508 is used by filers to apply for a waiver from the requirement to file information returns on magnetic media.

After evaluating the request, IRS will notify the taxpayer as to whether the request is approved or denied.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 8508 cannot be filed electronically, since its relatively low volume does not justify the cost electronic enabling. Taxpayers are requested to file through the mail or via fax, but not both.

For additional information on filing of information returns electronically, contact the IRS at: 866-455-7438 or 304-263-8700 (International).

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 are no small entities affected by this collection.

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

Form 8508 is used to request a waiver from filing Forms W-2, W-2AS, W-2G, W-2GU, W-

2PR, W-2VI, 1042-S, 1097-BTC, 1098 Series, 1099 Series, 3921, 3922, 5498 Series, 8027, or Form 8596 electronically for the current tax year.

Failure to collect and retain the information outlined in the regulations will complicate the taxpayer's ability to receive the proper approval relating to their request. This could result in tax penalties to the taxpayers and inconsistent reporting of data through magnetic media.

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 September 16, 2021, (86 FR 51724), we received one comment during the comment period regarding Form 8508.

Based on the comments submitted by the Harvard Tax Clinic (HTC) small, underserved populations were identified, Amish with religious concerns, Native Alaskans challenged by access to technology, and Elderly who are challenged by technology. Additionally, IRS has also identified foreign filer population challenged by increased IRS authentication and foreign laws who may also benefit from HTC recommendations:

- Use of an exemption like Form 8948, Preparer Explanation for Not Filing Electronically.
- Expand the allowable reasons for Form 8508, Waiver From Filing Information Returns Electronically to include the challenges mentioned above.

The IRS cannot commit to the requested changes at this time but will take the comments under consideration.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

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)” 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 <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

OMB Collection	Authority	Form	Annual Responses	Hours per Response	Total Burden
IRS 1545-0957	IRC 6011	8508	1,000	.75	750
	IRS TOTAL		1,000		750

Please continue to assign OMB number 1545-0957 to these regulations.

301.6011-2

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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for the Form is \$20,000.

15. REASONS FOR CHANGE IN BURDEN

There are no changes being made to Form 8508. This submission is being made 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 regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of 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 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 if 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.