

## **SUPPORTING STATEMENT**

Internal Revenue Service  
Application for Employer Identification Number  
Form SS-4 and SS-4/PR  
OMB Control No. 1545-0003

### 1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Sections 6011 and 6109 of the Internal Revenue Code, section 31.6011(b) of the Employment Tax Regulations, and section 301.6109 1 of the Procedures and Administration Regulations require certain taxpayers to have an employer identification number (EIN), for use on returns, statements, or other documents. An EIN is a nine-digit number (for example, 12-3456789) assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes.

Form SS-4, *Application for Employer Identification Number (EIN)*, and Form SS-4PR, *Solicitud de Número de Identificación Patronal (EIN)*, are used by these taxpayers to obtain an employer identification number. The information provided on either of these forms will establish the business tax account.

### 2. USE OF DATA

The information will be used to administer and comply with section 6109 and the regulations thereunder, which generally require the inclusion of an employer identification number (EIN) on certain returns, statements, or other documents filed with the Internal Revenue Service. Information on these application forms may be used to determine which federal tax returns will be required to be filed and to provide the taxpayer with related forms and publications.

IRS will share this form with the Social Security Administration (SSA) for their use in determining compliance with applicable laws. IRS may also give this information to the Department of Justice for use in civil and/or criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. The IRS may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, and to federal law enforcement and intelligence agencies to combat terrorism.

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

Individuals may apply for an EIN online (only for applicants in the U.S. or U.S. possessions), by telephone (only for applicants outside of the U.S. or U.S. possessions), by fax, or by mail, depending on how soon the EIN is needed. Use only one method for each entity to prevent multiple EIN's being assigned to the same entity. The procedures for each method of filing have been included in the Instructions to Form SS-4 and SS-4/PR.

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 sections 6011 and 6109 to this type of entity.

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

The information will be used to administer and comply with section 6109 and the regulations thereunder, which generally require the inclusion of an employer identification number (EIN) on certain returns, statements, or other documents filed with the Internal Revenue Service.

Failure to collect and retain the information outlined would hinder the proper amount of tax collection, increase inaccurate and untimely filing of tax returns, and promote tax avoidance.

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 October 29, 2021, (86 FR 60106), the IRS received comments from Falcon Rappaport & Berkman PLLC.

The commenter from Falcon Rappaport & Berkman PLLC provided comments and suggestions relating to form SS-4 and the instructions. The commenter provided numerous suggestions and recommendations to create new sections, ways to identify responsible parties, submit and complete the form.

The IRS appreciates the comments and suggestions provided by the commenter. The suggestions have been forwarded to the appropriate contacts and will be considered for future updates and revisions. Comments and recommendations of this nature may also be submitted on IRS.gov at <https://www.irs.gov/forms-pubs/comment-on-tax-forms-and-publications>.

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

Sections 6011 and 6109 of the Internal Revenue Code, section 31.6011(b) of the Employment Tax Regulations, and section 301.6109 1 of the Procedures and Administration Regulations require certain taxpayers to have an employer identification number (EIN), for use on returns, statements, or other documents.

OMB Collection	Authority	Forms	Annual Responses	Hours per Response	Total Burden
1545-0003	31.6011(b)	SS-4/ SS-4/PR	5,965,735	.56	3,340,812
	TOTAL		5,965,735		3,340,812

Please continue to assign OMB number 1545-0003 to these regulations.

### 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 estimated annualized cost to the Federal Government is based on a model that considers the following three 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 Federal Government estimated annualized cost per product.

The federal government estimated annualized cost is as follows:

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>		<u>Printing and Distribution</u>		<u>Government Cost Estimate per Product</u>
Form SS-4	22,829	+	0	=	22,829
Instructions-SS-4	5,707	+	0	=	5,707
Form SS-4/PR	17,560	+	0	=	17,560
Instructions SS-4/PR	5,122	+	0	=	5,122
Grand Total	51,218	+	0	=	51,218
Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications					
* New product costs will be updated in the next revision of this collection.					

### 15. REASONS FOR CHANGE IN BURDEN

The change in burden previously approved by OMB, resulted from an adjustment to

estimates made by the Department based on the most current filing data. The number of responses increased by 4,353,027 and burden hours by 2,437,696.

	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	5,965,735	0		4,353,027	0	1,612,708
Annual Time Burden (Hr.)	3,340,812	0		2,437,696	0	903,116

Also, we are making this submission 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.