

SUPPORTING STATEMENT
Internal Revenue Service
Form 8928
Return of Certain Excise Taxes Under Chapter 43 of the Internal Revenue Code
(Under sections 4980B, 4980D, 4980E, and 4980G)
TD 9457 (Final)
OMB Control No. 1545-2146

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Form 8928 is used to report and pay the excise tax on certain failures by group health plans or employers. (as well as other excise taxes under chapter 43).

The collection of information required by § 54.6011-2 results from the requirements under TD 9457 to file a return for the payment of the excise taxes under section 4980B, 4980D, 4980E and 4980G. The final regulations provide the requirement for filing of the return and the time for filing.

P.L. 111-5 (American Recovery and Reinvestment Act of 2009) provides for a premium reduction for COBRA continuation coverage elected by certain individuals as the result of an involuntary termination of employment. The failure to provide COBRA continuation coverage upon partial payment is a failure to satisfy the COBRA requirements, resulting in the imposition of the excise tax under section 4980B. These final regulations provide a method and manner for the payment and reporting of the excise tax.

2. USE OF DATA

The information will be used for payment and reporting of the excise taxes under section 4980B, 4980D, 4980E and 4980G.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information due to the accompanying of schedules, statements or payments filed with the return. You can use certain private delivery services designated by IRS to meet the *timely mailing as timely filing/paying* rule for tax returns and payments.

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 no burden on small businesses or entities by this collection due to the inapplicability of

the authorizing statute § 54.6011-2 required to this type of entity.

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

Less frequent collection on federal programs and policy activities would result in the IRS inability to report and collect excise tax payments under sections 4980B, 4980D, 4980E or 4980G; thereby endangering the IRS to meet its mission. Therefore, reporting of excise tax would not be made timely.

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 5CFR 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 November 04, 2021 (86 FR 60968), we received no comments during the comment period regarding Form 8928 and TD 9457.

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

No payment or gifts are being provided to 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 "Returns Inventory and Classification System (RICS)" and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046 BMF Business Master File and IRS 34.037 IRS Audit trail and Security Records System. The Internal Revenue Service's PIAs 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

The collection of information in these final regulations is in §54.6011-2. The collections of information results from the requirement to file a return for the payment of the excise tax under section 4980B, 4980D, 4980E, or 4980G of the Code.

The Form 8928 is used for payment of the section 4980B excise tax, as well as other excise taxes under chapter 43.

Authorities	Description	# of Respondents	#Responses per Respondent	Annual Response	Hours per Response	Total Burden
IRC- 4980B, 4980D, 4980E, and 4980G	Form 8928	68	1	68	23 hrs., 29 min.	1,597

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 startup 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.

Product	Aggregate Cost per Product (factor applied)	Printing and Distribution	Government Cost Estimate per Product
Form	\$ 17,560		\$ 17,560
Form Instructions	\$ 4,390		\$ 4,390
Grand Total	0		0
Table costs are based on 2021 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

Change in the burden previously approved by OMB, resulted from an adjustment to estimates made by the Department in the decreased number of responses based on its most recent data on Form 8928 filings, from 100 to 68. The total annual burden hours decreased from 2,348 to 1,597.

	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 for this IC	68	0	0	-32	0	100
Annual IC Time Burden (Hours)	1597	0	0	-751	0	2348

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

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There 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 regulations sunset 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 is no exception 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.