

SUPPORTING STATEMENT
Internal Revenue Service
Forms 8717 and 8717-A - User Fee for Employee Plan Determination or Opinion Letter Request

OMB Control Number 1545-1772

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) section 7528 requires the payment of user fees for requests to the Internal Revenue Service (IRS) for ruling letters, opinion letters, and determination letters as determined according to categories established by the IRS. Revenue Procedure 2022-4, updated annually, provides the established categories and associated user fees for employee plan determination and opinion letters.

Forms 8717 and 8717-A are used by employee plan providers and sponsors to indicate the type of letter request and pay the appropriate user fee. These forms are attached to the Forms 5300, 5307, 5310, 5316, and the Form 4461 series applications for determination or opinion letters.

2. USE OF DATA

The IRS uses the information provided on Form 8717 to process and reconcile the required user fee with the type of letter application submitted by the plan providers and sponsors.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of Form 8717 is currently available.

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

The collection of information requirement will not have a significant economic impact on a substantial number of small entities. IRC section 7528(b)(2) provides user fee exemptions that further minimize the burden on such entities.

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

A less frequent collection would not enable the IRS to determine if the correct user fees were paid in accordance with IRC section 7528 and delay applications for determination and opinion letters, which could result in the IRS being unable to meet its mission and serve the public.

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

We received no comments during the public comment period in response to the Federal Register notice (87 FR 13045), dated March 8, 2022.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Employee Plans Exempt Organization Determination System" system, and a Privacy Act System of Records notice (SORN) has been issued for this system under Treasury/IRS 34.037-IRS Audit Trail and Security Records System; Treasury/IRS 50.001-Employee Plans/Exempt Organizations Correspondence Control Records; Treasury/IRS 50.003-Employee Plans/Exempt Organizations, Reports of Significant Matters; Treasury/IRS 50.222-Tax Exempt/Government Entities (TE/GE) Case Management Records. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/privacy-disclosure/privacy-impact-assessments-pia>.

Title 26 U.S.C. 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

IRC section 7528 requires the payment of user fees for opinion and determination letters. Forms 8717 and 8717-A are used to pay the user fee and identify the type of letter being requested. The IRS estimates that there will be 9,000 respondents, for a total estimated burden of 23,650 hours annually. The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden Hours
IRC 7528	Form 8717	8,000	1	8,000	2.51	20,080
IRC 7528	Form 8717-A	1,000	1	1,000	3.57	3,570
Totals		9,000		9,000		23,650

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated March 8, 2022, requested public comments on estimates (of cost burden) that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. No comments were received. However, to ensure more accuracy and consistency across its information collections, the IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, the 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. These costs do not include any activities such as taxpayer assistance and enforcement.

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 8717	\$17,560	\$0	\$17,560
Form 8717-A	\$16,097	\$0	\$16,097
Grand Total	\$33,657	\$0	\$33,657
Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications			

15. REASONS FOR CHANGE IN BURDEN

The change in burden reflects better estimates of the number of responses and the time burden to complete and file Form 8717. This decreases the burden by 31,000 responses and 425,690 hours due to Agency Estimate.

There are no material changes to Form 8717-A that affect burden estimates. In addition, the original information collection (IC) was also separated into an IC per form for clarity.

	Total Approved	Change Due to New Statute	Change Due to Agency Discretion	Change Due to Adjustment in Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	9,000	0	0	-31,000	0	40,000
Annual Time Burden (Hr)	23,650	0	0	-425,690	0	449,340

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

The 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 IRS 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.