

SUPPORTING STATEMENT
Internal Revenue Service
Forms 14039, 14039(SP), 14039-B, 14039-B(SP)
(Identity Theft Affidavit)
OMB Number 1545-2139

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The primary purpose of these forms is to provide a method of reporting identity theft issues to the Internal Revenue Service (IRS) so that the IRS may document situations where taxpayers are or may be victims of identity theft. Upon receipt of the form, the IRS must determine if the taxpayer is a victim of identity theft, determine the proper tax liability and complete all actions to provide the taxpayer relief as appropriate. The legal authority to collect this information is 26 U.S.C. 6001.

2. USE OF DATA

The primary use of this information is so that the IRS may document situations where individuals are or may be victims of identity theft.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 14039 may be submitted with a paper tax return. The paper return is required when an 'electronically filed' tax return is rejected by the IRS for suspected tax-related identity theft. The Form 14039 is attached to the paper return. In addition, the form can be submitted separately when a fraudulent tax return has been filed or to report potential identity theft issues that taxpayers identify. This increases IRS processing efficiencies to resolve the taxpayer's complaint and have the correct tax return applied to the respondent's tax account.

The IRS establishes a working relationship with each respondent and the IRS employee assigned to the case remains involved until case closure. Additionally, given the nature of 'identity theft', opening the door to third-party acceptance of Forms 14039 increases risk and thus the official form is only posted on IRS.gov. In addition, the Federal Trade Commission (FTC) allows taxpayers to submit the form electronically through their web page (Identitytheft.gov).

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 flexibility to reduce burden on small businesses or other small entities because the statutes apply to small businesses and small entities. As of January 2020, this form (product) is available on IRS.gov. Prior to that date, access to the form was not available on IRS.gov and its use and access was limited to internal IRS

staff. It was an internal form sent to the taxpayer by the service to gather additional taxpayer information vital to making an identity theft determination.

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

If the IRS did not collect this information, the taxpayer would not have a method of reporting identity theft issues to the IRS which allow the IRS to document situations where taxpayers are or may be victims of identity theft. Additionally, the IRS would be unable to determine the identity theft victims proper tax liability and therefore would be unable to meet its mission.

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 June 1, 2022 (87 FR 33312), IRS received no comments during the comment period regarding Forms 14039, 14039(SP), 14039-B and 14039-B(SP).

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 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 "Individual Master File,(IMF)" system, the "Business Master File (BMF) system and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 24.030 - CADE Individual Master File, IRS 24.046 - CADE Business Master File and IRS 34.037 - IRS Audit Trail and Security Records System. 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

The burden estimate is as follows (FY21):

Form	Number of Respondents	Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Form 14039/14039(SP)	354,501	1	354,501	2.4	850,802
Form 14039-B/14039-B(SP)	75,000	0.2	15,000	2.3	34,500
Totals	429,501		369,501		885,302

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 primary cost to the government consists of the cost of printing. IRS estimates that the cost of printing the forms are \$6,547.42.

In 2018, the instructions were not provided in a separate format since they are included in the two-page Form 14039 and the 14039SP.

- Approximate Number of 14039SPs printed = 43,000 cost including shipping = \$ 605
- Approximate Number of 14039s printed = 379,000 cost, including shipping = \$5,942.42
- **Approximate Combined prints = 422,000 at a total cost of \$6,547.42**

The number of prints are diminished as the mailing of blank forms will be reduced dramatically as letters that were automatically sent with blank Forms 14039 in mailed letters are now revised to eliminate needless inclusion. With the Form 14039 accompanying affected tax returns, the Forms 1040 are verified and processed.

15. REASONS FOR CHANGE IN BURDEN

The Form 14039 and 14039(SP) was updated to focus on reducing duplicate claims

submitted and improving the information received from the taxpayer. The following changes were made to Forms 14039 and 14039(SP):

- Instructions above Section A were expanded to reduce duplicate submission of claims, provide IRS.gov webpages for additional information on identity theft, Get An IP PIN, and Taxpayer Advocate.
- Section A was updated to clarify specific situations reported.
- Section B update includes another reminder to reduce duplicate submission of claims and to clarify specific situations.
- Section C was split to create a new Section D. Section C focused on the claimant’s current contact information.
- Section D is specific to the tax account information at issue. Sections E and F are the renumbered Sections D and E.
- Instructions Submitting this Form section is updated to reduce duplicate submission of claims, clarified where to submit tax returns, and updated fax and mailing information.

As a result of these changes, IRS has received 27,932 fewer forms, which reduced the number of responses to 354,501. Additionally, IRS adjusted the time per response from 1.33 hours to 2.4 hours, which increased the burden hours by 342,166.

Forms 14039 / 14039(SP) Changes in Burden

	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	354,501	0	-27,932	0	0	382,433
Annual IC Time Burden (Hours)	850,802	0	342,166	0	0	508,636

The Forms 14039-B and 14039-B(SP) removed the form introduction, inserted a new Section A with checkboxes and instructions for completing Form 14039-B. Sections B, C, D, E, and F are renumbered. Section C added a “Not Applicable” choice.

As a result of these changes, IRS has received 5,000 fewer forms, which reduced the number of responses to 15,000. Additionally, IRS adjusted the time per response from .31 hours to 2.3 hours, which increased the burden hours by 28,300.

Forms 14039-B/14039-B(SP) Changes in Burden

	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	15,000	0	-5,000	0	0	20,000
Annual IC Time Burden (Hours)	34,500	0	28,300	0	0	6,200

IRS is also making this submission as a renewal of a previously approved collection.

The total change in burden is an increase of 370,466 hours.

	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	369,501	0	-32,932	0	0	402,433
Annual Time Burden (Hr)	885,302	0	370,466	0	0	514,836

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 forms sunset 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.