

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Publication 1345, Handbook for Authorized IRS e-file Providers
1545-1708

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 1.6012-5 of the Income Tax Regulations provides that the Commissioner may authorize the use, at the option of a person required to make a return, of a composite return in lieu of any form specified in 26 CFR Part 1 (Income Tax), subject to the conditions, limitations, and special rules governing the preparation, execution, filing, and correction thereof as the Commissioner may deem appropriate. Pursuant to this regulation, the Commissioner has authorized taxpayers to electronically file Form 1040, U.S. Individual Income Tax Return, and applicable series through the electronic filing of tax returns. This publication informs those who participate in IRS *e-file* for Individual Income Tax Returns of their obligations to the Internal Revenue Service, taxpayers, and other participants. The collections of information are in chapters 3, 4 and 5, and are required to retain the benefit of participating in IRS e-file. The likely respondents are business or other for-profit institutions.

2. USE OF DATA

Taxpayers will use certain information to aid them in the electronically filing their individual income tax returns. Other information will be used by the IRS to ensure that taxpayers receive accurate and essential information regarding the filing of their returns through IRS *e-file* and to identify the persons involved in the filing of electronic returns through IRS *e-file*.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns, provides rules and requirements for participation in IRS e-file of individual income tax returns and related forms and schedules. The publication is available electronically and burden requirements contained in the publication are also electronically enabled.

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.

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

The IRS uses this information to ensure that taxpayers receive accurate and essential information regarding the filing of their electronic returns and to identify the persons involved in the filing of electronic returns. Not receiving accurate and essential information regarding returns could have numerous consequences to include erroneous refunds negatively affecting the revenue needed to support the Federal government. By not collecting this information, the IRS would have to spend more taxpayer assistance resources to collect this data through other means. This will compromise the Agency's ability to enforce tax compliance. Tax compliance is a vital part of the government's ability 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

In response to the *Federal Register* Notice dated February 21, 2023 (88 F.R. 10650), we received no comments during the comment period regarding Publication 1345.

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 return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No Personally Identifiable Information (PII) is being collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Publication 1345	151,451,972	1	151,451,972	0.05 hrs.	7,572,599
Totals	151,451,972		151,451,972		7,572,599

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 COSTS TO THE FEDERAL GOVERNMENT

Cost estimate for product development 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 costs to the Federal government will vary depending on whether the IRS will incur printing or copying costs for all the materials. These costs do not include any activities such as taxpayer assistance and enforcement. IRS estimates have determined that the cost of developing, printing, distribution and overhead for the publication is \$15,366.

15. REASONS FOR CHANGE IN BURDEN

There are no changes in the paperwork burden previously approved by OMB. However, the burden for Publication 1348 has increase due to better estimates based on current data. This increases the burden by 21,796,259 responses and 1,548,837 hours due to adjustment in Agency Estimates.

	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	151,451,972	0	0	21,796,259	0	129,655,713
Annual Time Burden (Hr.)	7,572,599	0	0	1,548,837	0	6,023,762

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 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 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.