

SUPPORTING STATEMENT

Internal Revenue Service (IRS)

Application for Certificate Discharging Property Subject to Estate Tax Lien

Form 4422, and Form 15056, Escrow Agreement for Estates

OMB Control Number 1545-0328

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) Section 6325(c) explains the process of the Secretary of the Treasury issuing a certificate of discharge for property subject to lien imposed by IRC Section 6324. Form 4422 is completed by either an executor, administrator, or other interested party for requesting release of any/all property of an estate from the Estate Tax Lien. It is used when property is being sold (for example a residence) and the title company needs a release of the estate tax lien to issue a title policy and close the sale of the property. Therefore, there is a time sensitive processing period imposed on IRS. Form 15056 is a contractual agreement between three parties (the IRS, taxpayer and an escrow agent) to hold funds from property sales subject to the federal estate tax lien. The only information it requires is a quarterly statement reflecting the balance in the escrow account as proof the funds are being held in accordance with the agreement.

2. USE OF DATA

The information being collected will be used to determine the Government's lien interest in property being sold.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 4422 and Form 15056 are available electronically on IRS.gov. However, due to the low filing volume the forms are not available to be filed electronic at this time.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained thorough this collection is unique and is not already available for use or adaptation from another source. The forms are exclusively used for applications requesting discharge of the estate tax lien from property being sold. No other forms exist specifically for the estate tax lien.

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 6325(c), and 6325 (c) and (b)(3).

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

The information requested on the forms are needed to determine the amount of the Government's interest in property that is attached by the estate tax lien. There is a time sensitive processing period imposed on IRS. The agency would not be able to fulfill its obligation to release the lien if information was not collected.

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 May 19, 2023 (88 FR 32286), we received no comments during the comment period regarding Form 4422 and Form 15056.

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 "Integrated Collection System (ICS)" system and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 24.030 -CADE Individual Master File (IMF); IRS 24.046 CADE Business Master File (BMF); IRS 26.009 -Lien Files, (open and closed); IRS 26.013- Trust Fund Recovery Case/One Hundred Percent; IRS 26.019- Taxpayer Delinquent Account (TDA) Files ; IRS 34.037 – IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's 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

Forms 4422 and 15056 are exclusively used for applications requesting discharge of the estate tax lien from property being sold and to hold funds from property sales subject to the federal estate tax lien.

Burden estimates are as follows:

Instrument	Number of Respondents	Annual Responses	Number of Responses	Time per Response (Hours)	Total Hours
Form 4422	1000	1	1000	.5	500
Form 15056	20	1	20	.5	10
Totals	1020		1020		510

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no annual cost to respondents for form 4422 and form 15056. An electronic version of the forms are posted to IRS.gov for download and use by the public/practitioner that need(s) the form. No charges are incurred for processing the request for discharge of property from the estate tax lien or escrow agreement and there is no annualized cost to the federal government.

14. ESTIMATED ANNUALIZED COST 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 forms is \$29,550.

15. REASONS FOR CHANGE IN BURDEN

Changes to the burden estimates of Form 4422 are due to the reduction in filers based on the most recent filing data, from 2000 to 1000 responses and reduction in burden hours from 1000 to 500. Changes to the burden estimates of Form 15056 are due to the reduction in filers based on the most recent filing data, from 500 to 20 and reduction in burden hours from 250 to 10. Overall, the total responses are 1020 and the total burden hours are 510.

Form 4422	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	1,000	0	0	-1,000	0	2,000
Annual Time Burden (Hrs.)	500	0	0	-500	0	1000
Form 15056						
Annual Number of Responses	20	0	0	-480	0	500
Annual time Burden (Hrs.)	10	0	0	-240	0	250
Total Annual Number of Responses	1020	0	0	-1480	0	2,500
Total Annual Time Burden (Hrs.)	510	0	0	-740	0	1,250

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

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 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 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.