

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Tax Information Authorization and IRS Disclosure Authorization for Victims of Identity Theft
Form 8821 and Form 8821-A
OMB Control Number 1545-1165

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

26 USC 6103(c) allows the IRS to disclose confidential tax information concerning a taxpayer to a designee of the taxpayer. This request must be in writing.

Form 8821 authorizes any individual, corporation, firm, organization, or partnership designated to inspect and/or receive confidential information for the type of tax and the years or periods listed on Form 8821.

Form 8821-A is an authorization signed by the taxpayer allowing the IRS to disclose the taxpayer's return, any purported return, and other related return information to state or local law enforcement in the event of possible identity theft. It may not be used for any other purpose.

2. USE OF DATA

The forms are used by the IRS to identify appointees of a taxpayer and to ensure that an unauthorized disclosure is not made.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing is available for Form 8821 and Form 8821-A. Forms 8821 and Form 8821-A are fillable online by accessing irs.gov, can be faxed, and an appointee may be able to file Form 8821 electronically with the IRS from the IRS website (information can be found on e-services-Online Tools for Tax Professionals).

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available or use or adaption from another source.

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 in applicability of the authorizing statute under section 6103 (c).

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

The information required is needed to verify compliance with section 6103 of the Internal Revenue Code of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS

from meeting its mission.

1. 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 32285), we received no comments during the comment period regarding form 8821 and form 8821-A.

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 and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.030--Customer Account Data Engine Individual Master File, formerly Individual Master File, and IRS 34.037--IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/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

Form 8821:

The time needed to complete the form and file this form on paper will vary depending on individual circumstances. The estimated average time is Recordkeeping, 6 min.; Learning about the law or the form, 12 min.; Preparing the form, 24 min.; Copying and sending the form to the IRS, 20 min.

Form 8821-A:

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 9 minutes.

The burden estimate is as follows:

Form Number	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden Hours
8821	Tax Information Authorization	3,393,083	1	3,393,083	1 hr. 3 minutes	3,562,737
8821-A	IRS Disclosure Authorization for Victims of Identity Theft	182	1	182	9 minutes	27
	Totals	3,393,265		3,393,265		3,562,764

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 start-up 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 is summarized in the table below.

Product	Aggregate Cost per Product (factor applied)		Printing and Distribution		Government Cost Estimate per Product
Form 8821	23,994	+	382	=	24,376
Instructions -F- 8821	5,453	+	911	=	6,364
Form 8821-A	14,184	+	0	=	14,184
Grand Total	43,631	+	1,293	=	44,924
Table costs are based on 2022 costs obtained from IRS Chief Financial Office and Media and Publications					

1. REASONS FOR CHANGE IN BURDEN

Changes to the burden estimates of Form 8821 are due to the increase in filers based on the most recent filing data, from 672,990 to 3,393,083 responses and an increase in burden hours

from 706,640 to 3,562,737. There are no changes to the burden estimates of Form 8821-A. Overall, the total responses are 3,393,265 and the total burden hours are 3,562,764.

Form 8821	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	3,393,083	0	0	2,720,093	0	672,990
Annual Time Burden (Hrs.)	3,562,737	0	0	2,856,097	0	706,640
Form 8821-A						
Annual Number of Responses	182	0	0	0	0	182
Annual time Burden (Hrs.)	27	0	0	0	0	27
Total Responses	3,393,265	0	0	2,720,093	0	673,172
Total Burden Hours	3,562,764	0	0	2,856,097	0	706,667

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 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.