

## **SUPPORTING STATEMENT**

Internal Revenue Service

Application for Extension of Time to Furnish Recipient Statements

OMB # 1545-New

### 1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Required to grant an extension of time to furnish statements to recipients. The filer needs to provide unique identifiers for identity verification purposes related to tax law enforcement. The collection of this information is authorized by 26 USC 6081 and 26 USC 6042.

### 2. USE OF DATA

The data collected by Internal Revenue Service (IRS) will be used to verify the taxpayer. Once the taxpayer is identified, their account will be indicated with a granted extension of time to furnish copies to recipients.

### 3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

An official form reduces the burden on the taxpayer by creating a structured response. It will be clear to the taxpayer what information is required and prevent the extra time a taxpayer may incur in researching and oversharing. Additionally, the processing of requests will be more efficient and reduce response times to the taxpayer. The taxpayer will mail or fax in this form. The request for an extension will then be noted on a taxpayer's account which is housed on an electronic database.

### 4. EFFORTS TO IDENTIFY DUPLICATION

EPSS is the only IRS division that processes these requests. There is no other branch that collects similar requests.

### 5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The burden on small businesses or small entities is reduced as the taxpayer does not have to create their own letter/request will be clear to the taxpayer what information is required and prevent extra time the time a taxpayer may incur in researching and oversharing. Additionally, the processing of requests will be more efficient and reduce response times to the taxpayer.

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

The law requires the taxpayer to request the extension request each year because a

taxpayer's filing status can change year to year. The consequences of not using this form, or less use of the form, will increase the burden on the IRS and delay the processing of the extension request. The purpose of the form is to create a structured method to request an extension request so that processing efficiency can be improved. The IRS would be unable to grant an extension without a request each year from the taxpayer.

2. 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).

3. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

If needed, the taxpayer is required by law to request an extension every tax filing year. The IRS is unable to make this determination every year using available data.

4. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

5. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Communication with the taxpayer follows standardized IRS disclosure protocols and procedures. The information provided by the IRS is not sensitive as the taxpayer is making a request for an extension to furnish statements to recipients. The IRS will either grant or deny the waiver via correspondence.

6. JUSTIFICATION OF SENSITIVE QUESTIONS

The filer needs to provide unique identifiers for identity verification purposes related to tax law enforcement.

7. ESTIMATED BURDEN OF INFORMATION COLLECTION

The number of taxpayers requesting this extension each year is around 20,000. The estimated collective taxpayer burden is hard to calculate as some taxpayers are making this request for the first time, and some taxpayers are professionals who complete this request every year. Additionally, some taxpayers are sole proprietors and this request may take only 8 minutes to complete while large taxpayers may have to list hundreds of employees/contractors resulting in significant more time. However, that time varies based on their accounting software.

Authority	Description	Annual Responses	Hours per Response	Total Burden
	Form 15397	20,000	.72	14,400
<b>Totals</b>				

8. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The total cost is equal to or less than what taxpayers incurred in the past. As no form previously existed, taxpayers spent time researching and creating their own presentation for requesting an extension. This form helps bridge the gap between what taxpayers file and the information that the IRS needs to complete their request for an extension. It provides a clear and consistent method for taxpayers to submit their request. An official form will also keep requests uniform in nature which will help IRS assistors process requests more efficiently which results in better customer service for taxpayers. Again, it is hard to estimate a cost since every taxpayer and tax year is different. However, the burden will be reduced with this form.

9. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Since the new form will be published online, the cost to the government is very little. Currently, the government receives these extensions of time to provide statements to recipients via mail and they are sometimes hand written, voluminous, and ambiguous. Since the information is not organized, it is difficult for the IRS assistor to process the information and grant the extension request. This form will reduce the annualized cost to the government as assistors will understand the request and have a uniform location for the necessary taxpayer information.

10. REASONS FOR CHANGE IN BURDEN

This form helps bridge the gap between what taxpayers file and the information that the IRS needs to complete their request for an extension. It provides a clear and consistent method for taxpayers to submit their request. An official form will also keep requests uniform in nature which will help IRS assistors process requests more efficiently which results in better customer service for taxpayers. As no form previously existed, taxpayers spent time researching and creating their own presentation for requesting an extension.

This is a new collection request. We are making this submission for new OMB approval.

11. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

The form will be published on IRS.com and mentioned in Publication 1220 and 1187. Volume statistics are already captured by the IRP Homepage database. Processing these extension requests are captured via an organization function program code (OFP). The IRS can compare the volume of requests received with the hours spent processing to evaluate efficiencies.

12. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

We believe 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 Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

13. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

Note: The following paragraph applies to all 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.