

SUPPORTING STATEMENT

Internal Revenue Service

TD 8383, Disclosure of Tax Return Information for Purposes of Quality or Peer Review;
Disclosure of Tax Return Information Due to Incapacity or Death of Tax Return Preparer
OMB Control Number 1545-1209

1. **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code (IRC) section 7216 authorizes the use or disclosure of information by tax return preparers in accordance with regulations prescribed by the Secretary. Treasury Regulation 301.7216-2(p) permits the use or disclosure of tax return information for purposes of quality or peer reviews. Treasury Regulation section 301.7216-2(p) contains a requirement that tax return preparers being reviewed will maintain a record of the review, including the information reviewed and the identity of the persons conducting the review.

2. **USE OF DATA**

The IRS will use the records kept by tax return preparers to monitor the quality and peer review programs.

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

The IRS has no plans to offer electronic enabling because this collection is a recordkeeping requirement for disclosing or using the information of tax return preparers for purposes of quality or peer reviews.

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 IRS proactively works with both internal and external stakeholders to minimize the burden on small businesses, while maintaining tax compliance. The Agency also seeks input regarding the burden estimates from the public via notices and tax product instructions. The Agency will continue to as applicable find ways to reduce the burden on small businesses or other small entities.

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

A less frequent collection of this information would prevent the IRS from determining whether the tax return preparers maintained a record of the review, including the information reviewed and the identity of the persons conducting the review, in accordance with section 301.7216-2(p).

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

We received no comments during the comment period in response to the *Federal Register* notice, 89 FR 21173, dated March 26, 2024.

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

No payment or gift will be 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

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Business Master File (BMF)” system and a Privacy Act System of Records Notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. IRS PIAs 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

The Treasury Regulations section 301.7216-2(p) burden estimate reflects the number of tax practitioners (attorneys, accountants, and enrolled agents) who may participate in the voluntary program of quality and peer reviews. It is estimated that 250,000 tax practitioners will maintain records relating to quality or peer reviews, and the average annual recordkeeping burden is 1 hour. The total annual recordkeeping burden is 250,000 hours.

The estimated burden is as follows:

Authority	Document	# Respondents	# Responses Per Respondent	Annual Responses	Time Per Response	Total Burden
§301.7216-2(p))	TD 8383	250,000	1	250,000	1hr.	250,000
Totals		250,000		250,000		250,000

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

There is no annualized cost to the federal government as these are recordkeeping requirements. Therefore, there is no printing, copying, or distribution costs incurred by the IRS. The government costs do not include any activities such as taxpayer assistance and enforcement.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. 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

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 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.