SUPPORTING STATEMENT

Internal Revenue Service (IRS)

Form 15426 IRS Governmental Liaison (GL) Data Exchange Request

OMB Control Number 1545-####

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) section 6103 defines confidentially of tax return and tax return information, also the right to access tax returns and tax return information which the IRS possesses.

There are several factors the IRS considers in decision making policy on whether to engage in a data exchange. We must consider the requestor’s legal authority to receive the data; our disclosure policies; systems’ feasibility; systems’ security; and costs to the agency for developing and maintaining the data exchange. When a requestor asks the IRS for data, we ask them several questions to determine whether to pursue a data exchange with them.

Form 15426 is an initial intake form used to establish a collaboration between internal IRS business units and external stakeholders before the commencement of any agreement of tax return and tax return information to be exchanged. The respondents are Federal, State, and local agencies that are voluntarily initiating a request for data from the IRS.

1. USE OF DATA

The IRS requires an instrument that requestors can use to facilitate their request for data from IRS. We use Form 15426, IRS Governmental Liaison (GL) Data Exchange Request, for this purpose to establish a collaboration between internal IRS business units and external stakeholders before the commencement of any agreement.

1. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 15426 will be available in electronic format and can be submitted via email.

1. EFFORTS TO IDENTIFY DUPLICATION

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

1. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

This collection does not affect small businesses or other small entities.

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

Consequences of less frequent collection on federal programs or policy activities could result in the IRS being unable to monitor compliance with the Federal tax rules related to IRC Title 26 Section 6103, thereby jeopardizing the ability of the IRS to meet 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).

1. 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 September 19, 2024, (89 FR 76916), we received no comments during the comment period regarding Form 15426.

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

No payment or gift has been provided to any respondents.

1. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

1. JUSTIFICATION OF SENSITIVE QUESTIONS

This form does not collect sensitive information.

1. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form 15426 was created to enable external government agency stakeholders to exchange data for tax administration purposes. We estimate that there will be 15 responses per year. It is estimated that it will take an average of 1 hour to gather the information and complete each statement. Therefore, the total recordkeeping/ reporting burden is 15 hours.

The burden estimate is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Authority** | **Description** | **# of Respondents** | **# Responses per Respondent** | **Annual Responses** | **Hours per Response** | **Total Burden Hours** |
| IRC § 6103 | Form 15426 | 15 | 1 | 15 | 1 | 15 |
| **Totals** |  | **15** |  | **15** |  | **15** |

1. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up or maintenance costs for this collection. The collection does not require respondents to obtain specialized equipment or professional services.

1. 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 startup expenses, operating and maintenance expenses, and distribution of the product that collects the information. These costs do not include any activities such as taxpayer assistance and enforcement.

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 for this collection is summarized in the table below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Product** | **Aggregate Cost**  **Per Product**  **(factor applied)** |  | **Printing and**  **Distribution** |  | **Government Cost**  **Estimator per**  **Product** |
| Form 15426 | $13,970 | + | $0 | = | $13,970 |
| **Grand Total** | **$13,970** | **+** | **$0** | **=** | **$13,970** |
| Table costs are based on 2023 actuals obtained from IRS Chief Financial Office and Media and Publications | | | | | |

1. REASONS FOR CHANGE IN BURDEN

There is no change in the burden. This is a new form.

1. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis, and publication.

1. 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 expires as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

1. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.