

**SUPPORTING STATEMENT**

Internal Revenue Service (IRS)

Disclosure of Returns and Return Information to Designee of Taxpayer

OMB# 1545-1816

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Under Internal Revenue Section (IRC) 6103(a), returns and return information are confidential unless disclosure is otherwise authorized by the Internal Revenue Code. IRC Section 6103(c), as amended in 1996 by section 1207 of the Taxpayer Bill of Rights II, Public Law 104-168 (110 Stat. 1452), authorizes the IRS to disclose returns and return information to such person or persons as the taxpayer may designate in a request for or consent to disclosure, or to any other person at the taxpayer's request to the extent necessary to comply with a request for information or assistance made by the taxpayer to such other person. Disclosure is permitted subject to such requirements and conditions as may be prescribed by regulations.

Treasury Decision (TD) 9054 contains the final regulations relating to the disclosure of returns and return information to a designee of the taxpayer. The regulations provide guidance to IRS employees responsible for disclosing returns and return information and to taxpayers who wish to designate a person or persons to whom returns and return information may be disclosed.

TD 9618 contains final regulations extending the period for submission to the IRS of taxpayer authorizations permitting disclosure of returns and return information to third party designees.

Collections of information under Internal Revenue Code section 6103 and this final regulation (26 CFR 301.6103(c)-1), are necessary to make the disclosure requested by a taxpayer. The IRS must collect certain information such as the taxpayer's name and other identification information, the return or return information to be disclosed, and the identity of the person to whom the return or return information is to be disclosed.

2. USE OF DATA

The collections of information relating to requests for or consents to disclosure of returns and return information are in §301.6103(c)-1(b), (c), and (d). Information provided in a request or consent under paragraph (b) is required by the IRS to identify the return or return information described in the request or consent; to search for and, where found, compile such return or return information; and to identify the person to whom any such return or return information is to be provided. Information provided in a request under paragraph (c) is required by the IRS to determine the nature and extent of the information or assistance requested by the taxpayer; to determine any return or return information to be disclosed to a third party in order to comply with the taxpayer's request; and to search for and, where found, to compile any such return or return information. Information

provided in a request under paragraph (c)(2) is also required by the IRS to confirm the identity of the taxpayer and the designee. Information provided in a consent under paragraph (d)(1) is required by the IRS to make certain disclosures to an electronic return transmitter or other third party in connection with the taxpayer's electronic filing of returns or other documents or information, such as disclosures to a transmitter of the IRS's receipt of a taxpayer's return and its acceptance or rejection by the IRS. The collections of information in this regulation are not mandatory but are required if the IRS is to make disclosures to designees under the regulation.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

This final regulation expressly contemplates the use of electronic consents. See Treas. Reg. § 301.6103(c)-1(e)(1)(i)(B) (defining "separate written document" to include the text appearing on one or more computer screens). In addition, this final regulation sets forth parameters for the creation of electronic consents to disclosures necessary in connection with the electronic filing of returns or other documents or information.

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 collection of information does not have a significant impact on substantial number of small businesses or other small entities. However, this final regulation is intended to reduce the burden on all businesses by permitting electronic consents, including electronic consents in the context of the electronic filing of returns and other documents or information, and by permitting certain disclosures of return information to be made pursuant to non-written requests for or consents to disclosure.

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

The consequences are that the IRS will have to spend more taxpayer assistance resources to collect this data through other means. This will compromise the Agency's ability to comply with taxpayer's requests for disclosing information to third parties. Tax compliance is a vital part of the government's ability to meet its' mission and serve the public.

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 23, 2025 (90 FR 22163) we received no comments during the comment period concerning this regulation.

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 “Electronic Disclosure Information Management System (E-DIMS)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 48.001--Disclosure Records and

IRS 34.037--Audit Trail and Security Records. The Internal Revenue Service PIA’s can be found at <http://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

Under section 301.6103(c)-1(b), a taxpayer may request or consent to the disclosure of the taxpayer’s return or return information to a third party. In most cases, taxpayers will do so using forms IRS Form 4506 (1545-0429) and Form 8821 (1545-1165). The burden associated with the use of these forms is set forth under the approval numbers.

The IRS estimates that the annual number of persons who request or consent to the

disclosure of their returns or return information to third parties, but who do not make use of the approved forms discussed in the preceding paragraph, is listed below.

The burden estimate is as follows:

<b>OMB Collection</b>	<b>Authority</b>	<b>Form</b>	<b>Annual Responses</b>	<b>Hours per Response</b>	<b>Total Burden</b>
IRS 1545-1816	IRC 6103	---	9,000	.20	1,800
	<b>IRS TOTAL</b>		<b>9,000</b>		<b>1,800</b>

The following regulations impose no additional burden. Please continue to assign OMB number 1545-1816 to these regulations.

301.6103(c)-1

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

After consultation with various functions within the Service, we have determined that there are no additional annualized costs outside of what is already reported under the 1545-0429 and 1545-1165 approval numbers.

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 regulations expire 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.