

**Supporting Statement for Treasury Inspector General for Tax
Administration Generic Request**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Treasury Inspector General for Tax Administration (TIGTA) organization was established in January 1999, in accordance with the Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 to provide independent oversight of IRS activities.

The TIGTA's Office of Audit's mission is to provide independent oversight of IRS activities. Through its audit programs TIGTA promotes efficiency and effectiveness in the administration of internal revenue laws, including the prevention and detection of fraud, waste, and abuse affecting tax administration.

To accomplish this, TIGTA Office of Audit at times finds it necessary to contact a limited number of taxpayers (including businesses) for various reasons, for example:

- To survey or contact taxpayers on issues such as customer service, for example, to determine the quality of service at IRS walk-in sites called TACs, telephones, during examinations (IRS audits of taxpayer tax returns).
- To survey or contact taxpayers to determine why certain eligible taxpayers did or did not take certain actions, for example, why taxpayers who qualified did not take certain tax deduction or tax credit.
- To survey or contact taxpayers to determine the accuracy of the IRS records.

2. USE OF DATA

Information obtained through the taxpayer contacts will be used for planning audits or during audits for program oversight.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

TIGTA will utilize electronic means when feasible to reduce burden to taxpayers and/or the government.

4. EFFORT TO IDENTIFY DUPLICATION

Before developing a survey or contacting taxpayers, we will research all current and prior TIGTA audits to ensure no other collections gathering the same or similar information.

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

The survey may include/impact small businesses or other small entities if they are the focus of the audit.

6. CONSEQUENCE TO FEDERAL PROGRAM OR POLICY ACTIVITIES IF COLLECTION IS NOT CONDUCTED

If the collections of data are not conducted, it could preclude the TIGTA from providing insight on activities and actions that could be taken to better educate or serve taxpayers, or determine if the IRS is efficiently and effectively administering the tax laws.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTANT WITH OMB GUIDELINES

- *Requiring respondents to report information to the agency more often than quarterly.*

Respondents will not be asked to report information to TIGTA but once per data collection.

- *Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after the receipt of it.*

Respondents will not be asked to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

- *Requiring respondents to submit more than an original and two copies of any documents.*

Respondents will not be asked to submit any documents unless the taxpayer's records do not match IRS records.

- *Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years.*

Respondents will not be required to retain records other than their tax records.

- *In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.*

The TIGTA will not project results to the universe of study unless we use a statistical survey designed to produce valid and reliable results.

- *Requiring the use of statistical data classification that has not been reviewed and approved by OMB.*

The TIGTA will not require the use of a statistical data classification that has not been reviewed and approved by OMB.

- *That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.*

Tax returns and return information are confidential, as required by the Internal Revenue Code Section 6103. TIGTA will not include a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes the sharing of data with other agencies for compatible confidential use.

- *Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

Respondents will not be required to submit proprietary trade secrets or other confidential information.

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

All collection activities and supporting documents will be subjected to TIGTA's normal quality review process – the same quality review process required by generally accepted government auditing standards and the Government Accountability Office.

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

Respondents and contacts will not be provided with payments, gifts, or remuneration.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Assurance of confidentiality will be communicated to the taxpayer and/or contact in compliance with the Privacy Act and Paperwork Reduction Act Notice.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

All information or data obtained will pertain only to the taxpayers' account information and experiences with the IRS.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The estimated burden will depend on the data collection activity. We estimate that the maximum burden required for all surveys under this clearance for a three-year period will not exceed 2,500 hours.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There will be no cost to respondents or recordkeepers resulting from the collection of information. Expenditures for capital or start-up costs of operation, maintenance, and purchase of services to provide information will not be required.

14. ESTIMATED ANNULIED COSTS TO THE FEDERAL GOVERNMENT

The costs will depend on the data collection activity.

15. REASONS FOR PROGRAM CHANGES OR ADJUSTMENTS

This is a new information collection and there are no adjustments reported in the annual reporting and recordkeeping hour and cost burdens.

16. PLANS FOR TABULATION STATISTICAL ANALYSIS AND PUBLICATION

The collection of information will occur throughout three fiscal years – Fiscal Years 2009-2011.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

TIGTA will display the expiration date for OMB approval on all collection instruments.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I

There are no exceptions to the certification statement in item 19 of Form 83-I.

Supporting Statement 1510-0074, Part B.

Collections of Information Employing Statistical Methods

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

Potential respondent universe, sampling/respondent selection methods, and expected response rates vary depending upon the survey. Potential respondents will be selected from Internal Revenue Service databases and computer systems containing information about taxpayers, including name, address, and account data (for example, filing histories, taxes paid, taxes owed, types of income, number of dependents, type of deductions).

2. Describe the procedures for the collection of information including:

- **Statistical methodology for stratification and sample selection,**
- **Estimation procedure,**
- **Degree of accuracy needed for the purpose described in the justification,**
- **Unusual problems requiring specialized sampling procedures, and**
- **Any use of periodic (less frequently than annual) data collection cycles to reduce burden.**

Procedures for collection of information will vary depending upon the information collection activity. Sample selection can be pulled from various Internal Revenue Service databases and computer systems. All collections are one-time collections/surveys. Any unusual problems are addressed in a particular survey.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

Various methods are used to maximize response rates and to deal with issues of non-response. Collectors will screen respondents to verify that respondents meet the sample criteria. As appropriate, over sampling will be utilized to ensure adequate numbers of responses and/or participants. Formatted surveys will be

tested for readability, non-telephone surveys may offer a telephone or electronic option, etc.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.

Pre-tests will generally be conducted for all information collection activities. Procedures and methods will vary depending upon the particular collection activity involved.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

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