

SUPPORTING STATEMENT
(Form SS-8)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Employers must withhold Federal Income, Social Security, and Medicare taxes from the wages of common law employees and pay the employer's share of Social Security and Medicare taxes. They must also pay Federal unemployment tax on the wages of common law employees. Wages paid to statutory employees are exempt from income tax withholding, but are subject to Social Security and Medicare taxes and FUTA. Thus, it is advantageous for an employer to hire workers who do not fall within the definition of an employee so that the employer avoids employment taxes. Because the law and regulations are complex in this area, some employers and workers complete Form SS-8 and send it to IRS for a determination as to whether a worker is an employee.

2. USE OF DATA

The information is used by IRS in making a determination as to whether a worker is an employee or an independent contractor.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing because of low filing volume compared to cost of electronic enabling.

1. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

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

Not applicable.

1. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS

OR POLICY ACTIVITIES

Not applicable.

2. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

Not applicable.

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

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form SS-8.

In response to the **Federal Register Notice** dated April 23, 2013 (**78 FR 23981**), we received no comments during the comment period regarding Form SS-8.

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

Not applicable.

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

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

	Number of	Time per	
Total	<u>Responses</u>	<u>Response</u>	<u>Hours</u>
Form SS-8	4,705	31.59	148,621

Estimates of the annualized cost to respondents for the hour

burdens shown are not available at this time.

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0004 to these regulations.

31.3121(d)-1

31.3401(c) and (d)-1

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register Notice** dated April 23, 2013, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing Form SS-8. We estimate that the cost of printing the form is \$6,251.

15. REASONS FOR CHANGE IN BURDEN

There is no change to 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

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

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

Not applicable.

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.