

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**Notice Concerning Fiduciary Relationship / Notice Concerning Fiduciary Relationship of Financial**  
**Institution**  
**Forms 56 and 56F**  
**OMB No. 1545-0013**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

26 USC 6903 and 26 USC 6036 provide that upon notice to the IRS of the fiduciary relationship, the fiduciary shall assume the powers, rights, duties, and privileges of the person for whom the fiduciary is acting in respect of taxes imposed by the Internal Revenue Code. 26 CFR 301.6903-1 and 301.6036-1 require a written notice (Form 56), of the creation and termination of a fiduciary relationship.

Due to the adverse economic conditions, many banks, thrifts, and other financial institutions have (or will) failed. When such an institution fails the Federal Deposit Insurance Corporation (FDIC) or similar federal agency, assumes the role of a fiduciary for the institution. The IRS still needs to contact the institutions after they have failed for taxes and various information reporting issues. By filing the form 56-F, the fiduciary notifies the IRS of the institution's failure, the fiduciary's address as the one to send all letters, notices, etc. to, and the status of the fiduciary.

**2. USE OF DATA**

The data is used by the IRS to ensure that the fiduciary relationship has been established or terminated and to mail or discontinue mailing to the fiduciary designated tax notices concerning the person for whom the fiduciary is acting.

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

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998. The agency is offering electronic filing of both Form 56 and Form 56-F.

**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**

There are no small businesses or other small entities affected by this form.

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

A less frequent collection will not enable the IRS to meet its mission by ensuring that the fiduciary

relationship has been established or terminated.

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 August 21, 2018 (83 FR 42355), we received no comments during the comment period for these revenue procedures.

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 "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. The Department of Treasury PIAs can be found at <https://www.treasury.gov/privacy/PIAs/Pages/default.aspx> .

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**

Authority	Description	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
Form 56	Notice Concerning Fiduciary Relationship	173,944	1	173,944	2.01 hrs.	349,627 hours
Form 56-F	Notice Concerning Fiduciary Relationship of Financial Institution	106	1	106	1.5 hrs	159 hours

<b>TOTAL</b>		174,050		174,050		349,786 hours
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**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**

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 start up expenses, operating and maintenance expenses, and distribution of the product that collects the information.

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:

<b>Product</b>	<b>Aggregate Cost per Product (factor applied)</b>	<b>Printing and Distribution</b>	<b>Government Cost Estimate per Product</b>
Form 56	\$ 2,979,		\$ 2,979
Form 56-F	\$ 15,492		\$ 15,492
<b>Grand Total</b>	<b>1549218,471</b>		<b>1847118,471</b>
Table costs are based on 2016 actuals obtained from IRS Chief Financial Office and Media and Publications			
* New product costs will be included in the next collection update.			

**15. REASONS FOR CHANGE IN BURDEN**

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

	<b>Requested</b>	<b>Program Change Due to New Statute</b>	<b>Program Change Due to Agency Discretion</b>	<b>Change Due to Adjustment in Agency Estimate</b>	<b>Change Due to Potential Violation of the PRA</b>	<b>Previously Approved</b>
Annual Number of Responses for	174,050	0	0	0	0	174,050

this IC						
Annual Time Burden (Hr)	349,786	0	0	0	0	349,786

**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 would cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers may not 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 for this collection.

**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.