

SUPPORTING STATEMENT
Internal Revenue Service
Disclosure of returns and return information
OMB# 1545-2154

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Subject to such requirements and conditions as the Secretary may prescribe by regulation, section 6103 (c) of the Internal Revenue Code authorizes the Internal Revenue Service to disclose a taxpayer's return or return information to such person or persons as the taxpayer may designate in a request for or consent to such disclosure, or to any other person at the taxpayer's request to the extent necessary to comply with the taxpayer's request to such other person for information or assistance. This regulation (§301.6103(c)-1), contains the requirements that must be met before, and the conditions under which, the Internal Revenue Service may make such disclosures.

Individuals can use Form 4506T-EZ to request a tax return transcript that includes most lines of the original tax return. The tax return transcript will not show payments, penalty assessments, or adjustments made to the originally filed return. Form 4506T-EZ (SP) is the Spanish translated version of the Form 4507T-EZ. It is also used to request a tax return transcript that includes most lines of the original tax return.

2. USE OF DATA

The information provided by the respondent will be used to request copies of their most recent tax return or return information.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS offers several [transcript types](#) free of charge. You can go to the [Get Transcript](#) page to request your transcript now.

[U.S. Citizenship and Immigration Services](#) and lending agencies for student loans and mortgages generally accept return transcripts as a substitute for a copy of your return.

You can also order return and account transcripts by calling 800-908-9946 and following the prompts in the recorded message, or by completing and mailing a request for a transcript to the address listed in the instructions for [Form 4506-T](#) (PDF), *Request for Transcript of Tax Return*, or [Form 4506T-EZ](#) (PDF), *Short Form Request for Individual Tax Return Transcript*. The IRS has created Form 4506T-EZ only for Form 1040 series tax return transcripts. The IRS created this streamlined form to help those taxpayers trying to obtain, modify, or refinance a home mortgage. You can opt to have transcripts mailed to a third party, such as

a mortgage institution, if you use one of these forms and provide your consent for the disclosure.

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. IRS has attempted to eliminate duplication within the agency wherever possible.

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

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. This final regulation provides taxpayers with enhanced procedures to resolve problems with the IRS, and it clarifies the requirements for a valid request for or consent to the disclosure of returns or return information. Therefore, notice and public procedure are not required pursuant to 5 U.S.C. 553(b)(B). Moreover, a delayed effective date would be contrary to the public interest and is not required under 5 U.S.C. 553(d). Pursuant to section 7805(f) of the Code, the temporary regulation was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

It is hereby certified that the collection of information in this regulation will not have a significant economic impact on a substantial number of small entities. This certification is based upon the fact that any burden on taxpayers is minimal, since the regulation only applies to taxpayers which request or consent to the disclosure of returns or return information, and since the information collected is only that necessary to carry out the disclosure of returns or return information requested or consented to by the taxpayer (such as the name and taxpayer identification number of the taxpayer, the return or return information to be disclosed, and the identity of the designee). Moreover, it is based upon the fact that the regulation reduces the burden imposed upon taxpayers by the prior regulation by clarifying the requirements for and conditions of a request for or consent to disclosure and by permitting certain disclosures pursuant to nonwritten requests or consents. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required.

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

The consequences for not collecting this information are that the IRS will not be able to clearly provide the taxpayer transcript or information needed by the taxpayers. This affects taxpayer confidence and compromises the Agency's ability to enforce tax compliance effort to the public. 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

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 Forms 4506T-EZ or 4506T-EZ(SP).

In response to the **Federal Register** notice dated June 5, 2019, (84 FR 26180) IRS received no comments during the comment period regarding Form 2439.

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 "Short Term Transcript, ST-TRA" system and a Privacy Act System of Records notice (SORN) has been issued for this system under:

<u>SORN Number</u>	<u>SORN Name</u>
IRS 24.030 IRS 34.027	CADE/Individual Master File
IRS 24.046	IRS Audit Trail and Security Records System Business Master File

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

Individuals can use Form 4506T-EZ and Form 4506T-EZ(SP) to request a tax return transcript that includes most lines of the original tax return. The tax return transcript will not show payments, penalty assessments, or adjustments made to the originally filed return.

The burden estimate is as follows:

OMB Collection	Authority	Form	Annual Responses	Hours per Response	Total Burden
IRS 1545-2154	IRC 6103(c)	4506T-EZ	5,227,136	(.78 hrs) 47 min.	4,077,166
1545-2154	6103(c)	4506T-EZ(SP)	50,000	(.78 hrs) 47 min.	39,000
	IRS TOTAL		5,277,136		4,116,166

The following regulations impose no additional burden. Please continue to assign OMB number 1545-2154 to these regulations.

301.6103(c)-1

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated June 5, 2019, 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, IRS did not receive any responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available currently. 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.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>	<u>Printing and Distribution</u>	<u>Government Cost Estimate per Product</u>
4506T-EZ	\$ 12,758	\$ 0	\$ 12,758
4506T-EZ (SP)	\$ 10,936	\$ 0	\$ 10,936
Grand Total	23694		23694 23,694
Table costs are based on 2018 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

Based on updated filing estimates there is an estimated overall increase in annual responses of 4,177,136. Changes to the estimated number of filers of each form will increase the total estimated burden by 3,246,166 hours.

This form is being submitted for renewal purposes.

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

See attachment.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

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.

OMB EXPIRATION DATE

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.