

**SUPPORTING STATEMENT  
(Form 8916)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Form 8916 will be used to reconcile Schedule M-3 taxable income to tax return taxable income for a mixed group, which is a consolidated tax group which uses two or more of the following tax return forms: 1120, 1120-L, 1120-PC. A mixed group is a consolidated tax group that (1) includes both a corporation that is an insurance company and a corporation that is not an insurance company, or (2) includes both a life insurance company and a property and casualty insurance company, or (3) includes a life insurance company, a property and casualty insurance company, and a corporation that is not an insurance company.

The authority is Internal Revenue Code section 6011 (P.L. 105-206, Title II, Sections 2001 through 2005).

**2. USE OF DATA**

This form will enable LMSB to obtain detailed information on book to tax reconciliations for mixed groups.

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

This form is intended to be electronically filed.

**4. EFFORTS TO IDENTIFY DUPLICATION**

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

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

We have attempted to minimize the burden on small businesses or other small entities.

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

Not applicable.

7. **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 8916.

We will publish a notice in the Federal Register in the near future to solicit public comments on Form 8916.

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:

	<b><u>Number of Responses</u></b>	<b><u>Time per Response</u></b>	<b><u>Total Hours</u></b>
Form 8916	500	6 hrs., 46 mins.	

3,385

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**

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information are not available at this time.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

This is a print on demand form; therefore, it will not be printed.

**15. REASONS FOR CHANGE IN BURDEN**

Not applicable.

**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.**

**REASON FOR EMERGENCY SUBMISSION**

**The Form 8916 is a required attachment to the 1120, 1120-L, and 1120-PC Schedule M-3s for certain filers referred to as “mixed groups.” If the Form 8916 is not available it cannot be attached to the Schedule M-3 submitted by these taxpayers, and these taxpayers will be unable to file an accurate and complete Schedule M-3 as required under Internal Revenue Code section 6011 (P.L. 105-206, Title II, Section 2001 through 2005). Also, if the Form 8916 is not available for filing by taxpayers, the Internal Revenue Service will be unable to accomplish the stated mission of the Schedule M-3 initiative supported by LMSB and the U.S. Department of the Treasury, which is obtaining greater transparency of taxpayer books and records.**