SUPPORTING STATEMENT

.   <u>CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION</u>

Form 2439 is necessary to show shareholders undistributed capital gains tax paid under section 852(b)(3)(D) or 857(b)(3)(D).

.   <u>USE OF DATA</u>

Form 2439 is used by regulated investment companies or real estate investment trusts to show shareholders the amount of tax paid on undistributed capital gains.

.   <u>USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN</u>

We are currently offering electronic filing on Form 2439.

.   <u>EFFORTS TO IDENTIFY DUPLICATION</u>

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

.   <u>METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES</u>

Not applicable.

6. <u>CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES</u>

Not applicable.

7. <u>SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)</u>

Not applicable.

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

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 2439.

In response to the **Federal Register** notice dated November 30, 2007 (71 FR 69222), we received no comments during the comment period regarding Form 2439.

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:

Form	Number of Responses	Time per Response	Total Hours
2439	6,257	4.78	29,995

    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 November 30, 2007 (71 FR 69222), 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. <u>ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT</u>

   After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for the form is $400.

15. <u>REASONS FOR CHANGE IN BURDEN</u>

   There is no change in the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

16. <u>PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION</u>

   Not applicable.

17. <u>REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE</u>

   See attachment.

18. <u>EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I</u>

   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.