

Supporting Statement

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Treasury Inspector General for Tax Administration (TIGTA) recommended the creation of this new form for the reporting of the worker's share of Social Security and Medicare Taxes on wage income. Workers treated as independent contractors by their employers and determined to be employees by the IRS or whose employment status is in dispute need a form to compute and report their portion of social security and Medicare tax. Included in the above are workers whose employers have met the requirements for relief from federal employment tax obligations under section 530 of the Revenue Act of 1978. In previous years, these workers were instructed by the IRS to complete Form 4137, Social Security and Medicare Tax on Unreported Tip Income, by crossing out the word "tip(s)" and replacing it with the word "wage(s)." Form 8919 will eliminate the confusion associated with the current procedure of reporting wages on Form 4137 and the need for taxpayers to cross out "tips" and write in "wages" on Form 4137. It will also allow these taxpayers to file electronically.

2. USE OF DATA

The information provided on the Form 8919 assists the IRS in enforcing employment tax compliance.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Taxpayer burden will be reduced because taxpayers be able to file electronically.

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

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 8919.

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

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:

| <u>Form</u> | <u>Number of Responses</u> | <u>Time per Response</u> | <u>Total Hours</u> |
|-------------|----------------------------|--------------------------|--------------------|
| 8919 | 370,000 | | 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

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

The primary cost to the government consists of the cost of printing Form 8919. We estimate that the cost of printing the form is less than \$100.

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

Not applicable.

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.

Emergency Statement

This form is needed by workers treated as independent contractors by their employers and determined to be employees by the IRS or whose employment status is in dispute need a form to compute and report their portion of social security and Medicare tax. We estimate approximately 370,000 taxpayers will qualify to use this form. This form will enable these taxpayers to file electronically.