

Supporting Statement (Third-Party Disclosure Requirements in IRS Regulations)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Taxpayers must obtain third-party certification or documentation to avail themselves of certain credits, deductions or other benefits permitted by the Internal Revenue Code. Similarly, the receipt of other third-party information often provides a safe-harbor on which taxpayers may rely to avail themselves of certain credits, deductions or other benefits permitted by the Internal Revenue Code. Further, although taxpayers do not have to submit the documents or information to claim the credits, deductions or tax benefits, they are required to maintain the documentation with their books and records, which facilitates the Service's examination of the claimed credit, deduction or tax benefit during any audit of taxpayer's return. The third parties required to provide this certification, documentation, or information generally collect the required information in the ordinary course of their business. Accordingly, while requiring third-parties to disclose this information is not a significant burden, it allows taxpayers to legitimately minimize their tax burden by claiming credits, deductions, and other tax benefits that Congress has authorized and facilitates the Service's verification of the taxpayers' claims on audit.

2. USE OF DATA

Taxpayers will use these documents or information to support claims for certain credits, deductions or tax benefits on their returns. The Service may review these documents or information during any examination of taxpayers' returns to verify the taxpayers' entitlement to the claimed credits, deductions or tax benefits.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing. 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.

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

Not applicable.

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

Most of the third-party disclosure requirements were published in proposed regulations, and the public was given an opportunity to comment or request a public hearing. All comments received were given serious consideration.

We received no comments during the comment period in response to the **Federal Register** notice dated October 28, 2008, (73 FR 64013).

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and return information are confidential under 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Reg. 32.1(e) (temporary).

Section 32.1(e) (temporary) provides that the third party payor of sick pay subject to FICA taxes must furnish Form W-2 to employee relating to the sick pay or notify employer of sick pay (and meet certain other requirements) to shift the burden of furnishing Forms W-2 to the common law employer. We estimate that the total respondents will be 7,500, the time per respondent for each employee receiving a W-2 will be 5 minutes, the number of employees affected will be about 1,500,000, and thus the burden will be about 125,000 hours.

Reg. 32.1(g)(3) (temporary).

Section 32.1(f) (temporary) provides that if a third party insurer pursuant to a contract of insurance with a multiemployer plan is obligated to make payments on account of

sickness or accident disability, third party insurer can shift responsibility for issuing Form W-2 by furnishing information to the multiemployer plan and meeting other requirements; the multiemployer plan can then shift the responsibility for the reporting by furnishing certain information to the employer for whom services are normally rendered. We estimate that the total respondents will be 5,000, the time per respondent for each employee receiving a W-2 will be 5 minutes, the number of employees affected will be about 1,000,000, and thus the burden will be about 83,333 hours.

Reg. 32.2(e) (temporary).

Section 32.2 (temporary) requires that a third party payor of sick pay furnish Form W-2 to the employee relating to the sick pay or notify the employer of sick pay (and meet certain other requirements) to shift the burden of furnishing Forms W-2 to the common law employer. We estimate that the total respondents will be 3,300, the time per respondent for each employee receiving a W-2 will be 5 minutes, the number of employees affected will be about 699,600, and thus the burden will be about 58,300 hours.

Reg. 32.2(g)(3) (temporary).

Same as above for railroad employers. Total respondents is 1,000, time for respondent is 5 minutes and the number of employees affected is 100,000. The total burden is 8,333 hours.

Reg. 1.25-3T(d)(2).

Section 1.25-3T(d)(2) provides that the principal residence requirement is satisfied if a holder of a mortgage credit certificate provides an affidavit stating an intent to use the residence as a principal residence. We estimate that the total respondent/recordkeepers will be 20,000 and the time per respondent/recordkeeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-3T(e)(3).

Section 1.25-3T(e)(3) provides that the 3-year eligibility requirement is met if the holder of a mortgage credit certificate provides an affidavit stating that he had no ownership interest in a principal residence for the 3-year period prior to issuance of the certificate. We estimate that the total respondent/recordkeepers will be 20,000 and the time per respondent/recordkeeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-3T(f)(2).

Section 1.25-3T(f)(2) provides that the purchase price requirement is met if the seller and buyer execute an affidavit that the purchase price does not exceed the applicable limits. We estimate that the total respondent/recordkeepers will be 20,000 and the time per respondent/recordkeeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-3T(g)(2).

Section 1.25-3T(g)(2) provides that the new mortgage requirement is met if the holder of a mortgage credit certificate provides an affidavit that the mortgage does not replace another mortgage (other than those mortgages specifically excepted). We estimate that

the total respondent/recordkeepers will be 20,000 and the time per respondent/recordkeeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-3T(i)(2).

Section 1.25-3T(i)(2) provides that the prohibited mortgage requirement is met if the holder of the mortgage credit certificate provides an affidavit that financing is not being provided in connection with a prohibited mortgage (from the proceeds of tax-exempt bond). We estimate that the total respondent/recordkeepers will be 20,000 and the time per respondent/recordkeeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-3T(j)(5).

Section 1.25-3T(j)(5) provides that the unlimited lender requirement is met if the holder of a mortgage credit certificate provides an affidavit that the certificate is not limited to indebtedness incurred from particular lenders. We estimate that the total respondent/recordkeepers will be 20,000 and the time per respondent/record-keeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-3T(k).

Section 1.25-3T(k) provides that a mortgage credit certificate is not qualified unless the developer certifies to the purchaser of a residence and the issuer of the credit certificate that the price of the residence is not higher than it would be if the issuer had not allocated mortgage credit certificates to the development in which it is located. This certification requirement is met if the issuer obtains an affidavit from the holder that the holder has received such a certification from the developer. We estimate that the total respondent/recordkeepers will be 20,000 and the time per respondent/recordkeeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-3T(n).

Section 1.25-3T(n) provides that the requirement that interest not be paid to a related person is met if the holder of the certificate provides an affidavit that a related person does not have an interest as a creditor in the indebtedness amount. We estimate that the total respondent/recordkeepers will be 20,000 and the time per respondent/recordkeeper will be ¼ hour. Thus, the total burden will be 5,000 hours.

Reg. 1.25-4T(d).

Section 1.25-4T(d) provides that state officials meeting the state certification requirement for mortgage credit certificates may rely on affidavits from issuers about the amount of bonds that the issuers elected not to issue during the calendar year. We estimate that the total respondent/recordkeepers will be 600 and the time per respondent/recordkeeper will be 2 hours. Thus, the total burden will be 1,200 hours.

Reg. 1.25-8T.

Section 1.25-8T provides that lenders must file reports on mortgage credit certificates and must keep records pertaining to holders of the certificates. We estimate that the total respondent/recordkeepers will be 6,000 and the time per respondent/recordkeeper will be 2 hours. Thus, the total burden will be 12,000 hours.

Reg. 1.41-7(d)(2).

Section 1.41-7(d)(2) provides that "qualified organizations" are required annually to inform corporations that provide funds to those organizations under written research agreements of the amount of the corporation's funds spent by the qualified organization on basic research. We estimate that there will be approximately 250 respondents per year and that it will take each respondent approximately $\frac{1}{4}$ hour to collect the information. Thus, the total estimated annual reporting burden under section 1.41-7(d)(2) is 62 $\frac{1}{2}$ hours.

Reg. 1.41-7(d)(3).

Section 1.41-7(d)(3) provides that written research agreements between "qualified funds" and "qualified educational organizations" must provide that the qualified educational organization must furnish sufficient information to the qualified fund to enable the qualified fund to comply with certain agreements it has with grantor corporations. We estimate that there will be approximately 250 respondents per year and that it will take each respondent approximately $\frac{1}{4}$ hour to collect the information. Thus, the total estimated annual reporting burden under section 1.41-7(d)(3) is 62 $\frac{1}{2}$ hours.

Reg. 1.42-1T(d)(8)(ii).

Section 1.42-1T(d)(8)(ii) provides the time and manner for making housing credit allocations. Part 1 of Form 8609 must be filled out and mailed to a taxpayer by a state or local housing credit agency for use by that taxpayer in claiming credit under §42. We estimate that the total respondent/recordkeepers will be 3,500 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 3,500 hours.

Reg. 1.42-2(b)(3).

Section 1.42-2(b)(3) provides that a taxpayer must, as a precondition for getting a waiver of the 10-year placed in service requirement of §42(d)(2), obtain a letter or other written statement by the national office of HUD or FMHA stating that federal mortgage funds are at risk. We estimate that the total respondent/recordkeepers will be 60 and the time per respondent/recordkeepers will be 2 hours, and thus the total burden will be 120 hours.

Reg. 1.42-5(c).

Section 1.42-5(c) provides that an owner must make an annual statement to the state or local housing credit agency certifying answers to certain §42 compliance questions. A separate reporting burden requires low income tenants to supply the owner with a certification of their income, as well as documentation supporting this certification (§1.42-5(c)(1)(iii)). We estimate that the total respondent/recordkeepers will be 500,000, the responses will be 800,000, and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 200,000 hours.

Reg. 1.42-5(e).

Section 1.42-5(e) provides that the state or local housing credit agency must notify a building owner if the agency fails to receive a certification, is not permitted to inspect tenant income certifications (and/or supporting documents), or discovers any

noncompliance. We estimate that the total respondent/recordkeepers will be 400 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 400 hours.

Reg. 1.42-6(c)(2).

Section 1.42-6(c)(2) provides that a taxpayer must certify to the state or local housing credit agency, in writing and under penalty of perjury, that it has incurred 10 percent of its reasonably expected basis in a project. The certification must be accompanied by supporting documentation. The taxpayer can have its attorney or CPA fulfill this certification requirement. We estimate that the total respondent/recordkeepers will be 2,000 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 4,000 hours.

Reg. 1.42-8(a)(6).

Section 1.42-8(a)(6) provides that a taxpayer must give to the state or local housing credit agency a notarized copy of the statement used to elect as its applicable percentage for determining the amount of the low-income housing credit the percentage for the month that a binding agreement was in effect between the taxpayer and the state or local housing credit agency. We estimate that the total respondent/recordkeepers will be 500 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 250 hours.

Reg. 1.42-8(b)(4).

Section 1.42-8(b)(4) provides that a taxpayer must give to the state or local housing credit agency a notarized copy of a statement used to elect as its applicable percentage for determining the amount of the low-income housing credit the percentage for the month tax-exempt bonds are issued. We estimate that the total respondent/recordkeepers will be 10, the responses will be 50, and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 25 hours.

Reg. 1.42-14(d)(3).

Section 1.42-14(d)(3) provides that a state or local housing credit agency must notify a taxpayer when it is taking back credits previously allocated to the taxpayer. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 200 hours.

Reg. 1.46-8(d)(8)(ii).

Section 1.46-8(d)(8)(ii) requires a TRASOP to obligate the corporation maintaining the plan to furnish the designated fiduciary and participants with notices and information statements when voting rights are to be exercised. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 100 hours.

Reg. 1.47-3(h)(2).

Section 1.47-3(h)(2) provides that a taxpayer can reduce investment tax credit recapture on disposed of property when it is replaced with certain leased property, if the lessee

obtains the lessor's written statement that the lessor will not claim such property as replacement property. We estimate that the total respondent/recordkeepers will be 5,000 and the time per respondent/recordkeeper will be 12 minutes, and thus the total burden will be 1,000 hours.

Reg. 1.47-4(b)(2).

Section 1.47-4(b)(2) provides that if a C corporation elects to be an S corporation, the shareholders and the S corporation must agree in writing to be jointly and severally liable for investment tax credit recapture for C corporation years, or the C corporation will be treated as disposing of its investment credit property on the conversion from C to S status. The agreement must be filed with the district director. We estimate that the total respondent /recordkeepers will be 3,000,000 and the time per respondent/recordkeeper will be 6 minutes, and thus the total burden will be 300,000 hours.

Reg. 1.48-12(d).

Section 1.48-12(d) provides that to qualify for the rehabilitation credit for certified historic structures, a taxpayer must make a written submission for a determination from the Department of Interior that the building is a certified historic structure. We estimate that the total respondent/recordkeepers will be 600. We estimate that the time per respondent/ recordkeeper will be from ½ hour to 70 minutes with an average burden per respondent/ recordkeeper of ¾ hour, and thus the average total burden will be 450 hours.

Reg. 1.51-1(d)(1).

Section 1.51-1(d)(1) provides that an employee cannot be treated as a member of one of the targeted groups listed in §51(d)(1) unless the employer timely requests certification from the designated local agency. We estimate that 600,000 certifications will be requested and the time per request will be 1 hour. Therefore, the total burden will be 600,000 hours.

Reg. 1.61-21(c).

Section 1.61-21(c) provides special valuation rules relating to the use of employer-provided automobiles and aircraft, but only if the employer uses that rule or the employer did not report the benefit's value and the employee satisfies the underlying requirements. An employer and employee cannot use different special valuation rules, therefore, the employers must communicate to the employees which valuation rule has been elected. We estimate that the total respondents will be approximately 1 million, for 5,000,000 employees. The time per respondent will be 5 minutes, and thus the burden will be 416,667 hours.

Reg. 1.62-2.

Section 1.62-2 provides rules concerning whether a reimbursement and other expenses allowance arrangement will qualify as an accountable plan. In order for an arrangement to be an accountable plan, the employee must provide his employer with adequate substantiation, as required by §§1.274-5T or 1.162-17 of the regulations, whichever applies, within a reasonable period of time. Also under the regulations (§1.62-2(h)), if the payments are not under an accountable plan, the employer must report on a W-2. We

estimate that the total respondents will be about 10,000,000, the time per respondent will be ½ hour, and thus the burden will be about 5,000,000 hours.

Reg. 1.62-2(d)(1).

Section 1.62-2(d)(1) provides that if wages and reimbursements are combined in a single payment, the employer must identify the reimbursement either by making a separate payment or by specifically identifying the amount of the reimbursement (notification to employee). We estimate that the total respondents will be 1,000,000, the time per respondent will be 10 minutes, and thus the burden will be 166,667 hours.

Reg. 1.67-3T(f).

Section 1.67-3T(f) provides that a REMIC must provide quarterly notices of its allocable investment expenses to either a residual interest holder that is a pass-through interest holder or such holder's nominee. Pass-through interest holders include individuals, entities that compute taxable income like individuals, and pass-through entities. Also, a REMIC with a single class of regular interest holders must provide annual notices of its allocable investment expenses to either a regular interest holder that is a pass-through interest holder or such holder's nominee. A nominee, in turn, must provide any notice of the allocable investment expenses to the person for whom it acts as nominee. We estimate that the total respondent/ recordkeepers will be 200 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 50 hours.

Reg. 1.72-17(e)(1)(ii)(b).

Section 1.72-17(e)(1)(ii)(b) requires that owner-employees who are disabled within the meaning of §72(m)(7) must attach a doctor's statement as to the impairment on their income tax returns. We estimate that the total respondents will be 100 and the time per respondent will be ½ hour, and thus the total burden will be 50 hours.

Reg. 1.72-18(b)(2)(ii).

Section 1.72-18(b)(2)(ii) requires that self-employed individuals who are disabled within the meaning of §72(m)(7) must submit a doctor's statement as to the nature and effect of the employee's impairment with their income tax returns. We estimate that the total respondents will be 200 and the time per respondent will be ½ hour, and thus the total burden will be 100 hours.

Reg. 1.83-2(c).

Section 1.83-2(c) provides the manner for making an election to include the fair market value of substantially-nonvested property transferred in connection with the performance of services in the service provider's gross income for the year in which the property is so transferred. The election is made by filing a copy of the election statement with the internal revenue officer with whom the service provider files his returns, and a copy of the statement must be submitted with the service provider's return filed for the taxable

year in which the property was transferred. We estimate that the total number of respondent/recordkeepers will be 50,000 and that the time per respondent/recordkeeper will be ½ hour. Thus, the total burden will be 25,000 hours.

Reg. 1.83-2(d).

Section 1.83-2(d) requires service providers who make §83(b) elections with respect to transfers of property in connection with their performance of services to send a copy of their election to the service recipient and, if the transferee of the property is not the service provider, to the transferee. We estimate that the total number of respondent/recordkeepers will be 50,000 and that the time per respondent/recordkeeper will be 10 minutes. Thus, the total burden will be 8,333 hours.

Reg. 1.83-5(b)(2).

Section 1.83-5(b)(2) provides that, in order for service providers to establish that cancellations of nonlapse restrictions on property transferred in connection with their performance of services were noncompensatory, they must ask their service recipients to furnish them a written statement indicating that (1) the service recipient will not treat the cancellation of the nonlapse restriction as a compensatory event, and (2) no deduction will be taken by the service recipient with respect to such cancellation. We estimate that the total number of respondent/recordkeepers will be 5,000 and that the time per respondent/recordkeeper will be ½ hour. Thus, the total burden will be 2,500 hours.

Reg. 1.83-6(a)(2).

Section 1.83-6(a)(2) provides that, if the requirements of §6041 or §6041A are otherwise met, an employer is deemed to have satisfied the deduction requirements of §83(h) with respect to transfers of property in connection with the performance of services and with respect to compensatory cancellations of nonlapse restrictions described in §83(d). Additionally, if the requirements of §6041 or §6041A are otherwise met, an employer is deemed to have satisfied the deduction requirements of §83(h) with respect to a disqualifying disposition of stock described in §421(b) if a Form W-2 or Form W-2(c) (as appropriate) is furnished to the optionee (and filed with the federal government) on or before the date on which the employer files the tax return claiming the deduction for the disqualifying disposition. The burden required by this regulation will be reflected in the burden estimates for Forms W-2 and 1099, except to the extent Forms 1099 are required to be furnished to corporate service providers. We estimate that the total number of respondents in this category will be 1,000 and that the time per respondent will be 2 hours. Thus, the total burden will be 2,000 hours.

Reg. 1.85-1(d).

Section 1.85-1(d) contains a cross-reference to §6050B which requires an information return to be filed with the Service and the recipient. The burden is reflected on Form 1099G.

Reg. 5f.103-1 (temporary).

Section 5f.103-1 (temporary) provides, with limited exceptions, that tax-exempt obligations must be registered. A registered obligation can only be transferred through a

book entry. We estimate that the total recordkeepers will be 32,000 and the time per recordkeeper will be 12 hours. Thus, the total burden will be 384,000 hours.

Reg. 5f.1.103-2 (temporary).

Section 5f.1.103-2 (temporary) provides that issuers of industrial development bonds (now private activity bonds) must publish a public notice and hold a public hearing prior to issuance of the bonds. We estimate that the total respondent/recordkeepers will be 2,500 and the time per respondent/recordkeeper will be 10 hours. Thus, the total burden will be 25,000 hours.

Reg. 6a.103A-2(c)(1)(ii) (temporary).

Section 6a.103A-2(c)(1)(ii) (temporary) provides that an issue of mortgage bonds shall be treated as meeting eligibility requirements under certain conditions. In determining whether requirements were met, the issuer may rely on affidavits provided by each mortgagor that he or she meets the eligibility requirements. We estimate that the total respondent/recordkeepers will be 75,000 and the time per respondent/recordkeeper will be ½ hour. Thus, the total burden will be 37,500 hours.

Reg. 6a.103A-2(d) (temporary).

Section 6a.103A-2(d) (temporary) provides that residence requirements for mortgage bonds may be met if the mortgagor executes an affidavit of an intent to use the property as the mortgagor's principal residence. We estimate that the total respondent/recordkeepers will be 75,000 and the time per respondent/recordkeeper will be ½ hour. Thus, the total burden will be 37,500 hours.

Reg. 6a.103A-2(h)(1)(ii) (temporary).

Section 6a.103A-2(h)(1)(ii) (temporary) provides that issuers of tax-exempt mortgage revenue bonds must use reasonable efforts to place a portion of the bond proceeds in mortgages for residences in targeted areas. Advertising is suggested. We estimate that the total respondent/recordkeepers will be 228 and the time per respondent/recordkeeper will be 5 hours. Thus, the total burden will be 1,140 hours.

Reg. 6a.103A-3(h)(1)(ii) (temporary).

Section 6a.103A-3(h)(1)(ii) (temporary) provides that an issuer of veterans' mortgage bonds may rely on a mortgagor's certificate of discharge from active duty in determining whether a person is a qualified veteran. We estimate that the total respondent/recordkeepers will be 600 and the time per respondent/recordkeeper will be ½ hour. Thus the total burden will be 300 hours.

Reg. 1.105-1(c)(4).

Section 1.105-1(c)(4) provides that when the employer provides the employee with information concerning the portion of accident and health coverage that is considered to be employer provided (used in computing the final Form W-2), the same ratio will also be used by the employee to report income with respect to other amounts received during the taxable year. We estimate that the total respondent/recordkeepers will be 50,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be

12,500 hours.

Reg. 1.105-5(a).

Section 1.105-5(a) provides that in order to be treated as an accident and health plan if an employee's rights to benefits under the plan are not enforceable, notice or knowledge of the plan program, policy or custom providing for the payment must be reasonably available to the employee on the date the employee becomes injured or sick. We estimate that the total respondent/recordkeepers will be 10,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 2,500 hours.

Reg. 1.107-1(b).

Section 1.107-1(b) requires the employing church or other qualified organization to make an official designation of the amount that is to be excluded as a parsonage allowance. The designation may be evidenced in an employment contract, minutes, resolution or in any other appropriate instrument evidencing official action. We estimate that the total respondents will be 125,100, the time per respondent will be 20 minutes, and thus the burden will be 41,700 hours.

Reg. 521.108(c).

Section 521.108(c) provides that a nonresident alien who is a resident of Denmark and who is a beneficiary of a domestic estate or trust is entitled to a reduced rate of withholding on dividends if he files a Form 1001 with the fiduciary of the estate or trust. This burden estimate is reflected in Form 1001.

Reg. 1.125-1, Q&A-6 (proposed).

Section 1.125-1, Q&A-6 (proposed) provides that employer contributions to a cafeteria plan may be made pursuant to salary reduction agreements between the employer and employee. We estimate that the total respondent/recordkeepers will be 10,000,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 2,500,000 hours.

Reg. 1.125-1, Q&A-7 and 1.125-2, Q&A-5(c)(3) (proposed).

Section 1.125-1, Q&A-7 and 1.125-2, Q&A-5(c)(3) (proposed) set forth the timing rules by which a plan participant can "cash-out" unused vacation days. The participant must notify the employer of his or her intent to "cash-out" the unused days. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 250 hours.

Reg. 1.125-1, Q&A-8 and 1.125-2, Q&A-6 (proposed).

Section 1.125-1, Q&A-8 and 1.125-2, Q&A-6 (proposed) provide that a cafeteria plan must require plan participants (i.e., employees) to make elections among the benefits offered under the plan by notifying the employer of the benefits elected. These provisions also set forth the circumstances under which a participant can revoke an election of benefits upon notification to the employer. We estimate that the total respondent/recordkeepers will be 10,000,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 5,000,000 hours.

Reg. 1.125-2, Q&A-7(b)(3) (proposed).

Section 1.125-2, Q&A-7(b)(3) (proposed) provides exceptions to the 12-month coverage rule for health flexible spending arrangements. The participant must notify the employer of his or her intention to revoke coverage. We estimate that the total respondent/recordkeepers will be 2,500,000 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 625,000 hours.

Reg. 1.125-2, Q&A-7(b)(5) (proposed).

Section 1.125-2, Q&A-7(b)(5) (proposed) requires plan participants to substantiate medical expenses by providing the employer with a statement from an independent third-party which states that the expense has been incurred and the amount of the expense. The participant must also provide the employer with a written statement that the expense is not reimbursable or has not been reimbursed by any other health plan. We estimate that the total respondent/recordkeepers will be 5,000,000 and the time per respondent/recordkeeper will be $\frac{1}{2}$ hour, and thus the total burden will be 2.5 million hours.

Reg. 1.125-2, Q&A-7(b)(8) (proposed).

Section 1.125-2, Q&A-7(b)(8) (proposed) provides that the rules of 1.125-2, Q&A-7(b)(5) also apply to coverage under a dependent care assistance plan. We estimate that the total respondent/recordkeepers will be 2,500,000 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 625,000 hours.

Reg. 1.127-2(i).

Section 1.127-2(i) requires that an employee receiving payments under a qualified educational assistance program must be prepared to provide substantiation to the employer that payments or reimbursements made under the program are for educational expenses. We estimate that the total respondent/recordkeepers will be 200,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 200,000 hours.

Reg. 1.132-5(a)(1)(ii).

Section 1.132-5(a)(1)(ii) requires that if an item is to be excluded as a working condition fringe, employees must provide their employers with adequate records to substantiate the business expenses to the extent that any of the §274 substantiation requirements apply. We estimate that the total respondents will be approximately 10,000,000, the time per respondent will be $\frac{1}{2}$ hour, and thus the burden will be approximately 5 million hours.

Reg. 1.162-27(e)(4).

Section 1.162-27(e)(4) provides that, in order for a corporation to qualify a payment as "performance based compensation" under §162(m)(4) and thus avoid the \$1,000,000 deduction limit of §162(m)(1), it must, among other requirements, disclose the payment's material terms to its shareholders and obtain a separate vote to approve the payment. We estimate that the total respondent/recordkeepers will be 2,400 and the time per respondent/recordkeeper will be 50 hours, and thus the total burden will be 120,000

hours.

Reg. 1.162-27(f)(1).

Section 1.162-27(f)(1) provides that, in order for a corporation that becomes a public corporation via an initial public offering to avoid the \$1,000,000 deduction limit of §162(m)(1) on any remuneration paid pursuant to a compensation plan or agreement that existed during the period when the corporation was not publicly held, it must disclose in the prospectus accompanying the offering information concerning those plans or agreements that satisfies all applicable securities laws. We estimate that the total respondent/recordkeepers will be 600 and the time per respondent/recordkeeper will be 50 hours, and thus the total burden will be 30,000 hours.

Reg. 1.163-5(c)(2)(i)(B)(2)(B).

Section 1.163-5(c)(2)(i)(B)(2)(B) provides that in the case of a bearer obligation registered under the Securities Act of 1933, exempt from registration by section 3 or 4 of the Act, or which does not qualify as a security under that Act, to be considered foreign targeted, the issuer, each underwriter, and each member of the selling group must covenant that it will not, in connection with the original issuance of the obligation, offer to sell or resell the obligation in bearer form to any person inside the U.S. unless the purchaser is a financial institution purchasing for its own account. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 500 hours.

Reg. 1.163-5(c)(2)(i)(B)(3).

Section 1.163-5(c)(2)(i)(B)(3) provides that for a bearer obligation registered under the Securities Act of 1933, exempt from registration by section 3 or 4 of the Act, or which does not qualify as a security under that Act, to be considered foreign targeted, an underwriter, each member of the selling group, or the issuer, must send a confirmation to the purchaser of a bearer obligation stating that the purchaser represents that it is not a U.S. person or, if it is a U.S. person, it is a financial institution purchasing for its own account or for the account of a customer and that the financial institution will comply with the requirements of section 165(j). The confirmation must also state that if the purchaser is a dealer, it will send similar confirmations to whomever purchases from it. We estimate that the total respondent/ recordkeepers will be 50 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 500 hours.

Reg. 1.163-5(c)(2)(i)(B)(4).

Section 1.163-5(c)(2)(i)(B)(4) provides that for a bearer obligation registered under the Securities Act of 1933, exempt from registration by section 3 or 4 of the Act, or which does not qualify as a security under that Act, to qualify as a foreign targeted obligation, the person receiving delivery of the instrument in definitive form must provide to the issuer, underwriter, or selling group member a certification from the recipient that the obligation is not being acquired on behalf of a U.S. person, or for offer to resell or for resale to a U.S. person or any person inside the U.S. other than a financial institution. We estimate that the total respondent/ recordkeepers will be 50 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 500 hours.

Reg. 1.163-5(c)(2)(i)(C)(4).

Section 1.163-5(c)(2)(i)(C)(4) provides that for a bearer obligation registered under the Securities Act of 1933, exempt from registration by section 3 or 4 of the Act, or which does not qualify as a security under that Act, to qualify as a foreign targeted obligation, the issuer either must maintain documentary evidence that the purchaser is not a U.S. person or on delivery of the obligation the issuer receives a statement that the obligation is not being acquired by a U.S. person other than a financial institution. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 500 hours.

Reg. 1.163-5(c)(2)(i)(D)(3).

Section 1.163-5(c)(2)(i)(D)(3) provides that for a bearer obligation issued after September 7, 1990, registered under the Securities Act of 1933, exempt from registration by section 3 or 4 of the Act, or which does not qualify as a security under that Act, to qualify as a foreign targeted obligation, a financial institution which owns the obligation must certify to the issuer of the obligation that it has not acquired the obligation for purposes of resale to a U.S. person. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 500 hours.

Reg. 1.165-12(c)(1)(iii).

Section 1.165-12(c)(1)(iii) provides that in order for certain holders to come within an exception to the general denial of a loss deduction for registration-required obligations not in registered form, holders of obligations offered and sold outside the United States must deliver to the purchaser a "confirmation" including certain statements. We estimate that the total number of respondents will be 15,000 and the time per respondent will be 5 minutes, and thus the total burden will be 1,250 hours.

Reg. 1.166-2(d)(1).

Sections 1.166-2(d)(1) and 2(d)(3) provide that banks must obtain letters from their regulators in order for debts to be presumed conclusively to have become worthless. We estimate that the total number of bank respondents/recordkeepers will be 9,500. We estimate that the total number of responses (in this case, requests) per bank respondent/recordkeeper will be 1 per regulatory examination. The estimated time per bank respondent/recordkeeper will vary from 5 to 10 minutes depending on individual circumstances, with an estimated average time of 7 minutes, and thus the total burden will be 1,108 hours. We estimate that the total number of state regulator respondents/recordkeepers will be 50 and the total number of federal regulator respondents/recordkeepers will be 4. We estimate that the total number of responses per state regulator respondents/recordkeepers will be 30 and the total number of responses per federal regulator respondent/recordkeeper will be 2,000. The estimated time per state or federal regulator respondent/recordkeeper response will vary from 10 minutes to ¼ hour depending on individual circumstances, with an estimated average time of 12 minutes, and thus the total burden will be 1,900 hours.

Reg. 1.168(d)-1(b)(7)(iii).

Section 1.168(d)-1(b)(7)(iii) provides that if a transferee in a nonrecognition transaction determines that a convention different than the convention the transferor used when its return was filed applies to transferred property, the transferor should redetermine the depreciation deduction and file an amended return. This regulation implies that the transferor should notify the transferee of the convention it used, and the transferee should notify the transferor if it determined that a different convention applied. We estimate that the total respondent/ recordkeepers will be 1,000. We estimate that the time per respondent/recordkeeper will be from 10 to 20 minutes with an average burden per respondent/recordkeeper of ¼ hour, and thus the average total burden will be 250 hours.

Reg. 5c.168(f)(8)-2(a)(5).

Section 5c.168(f)(8)-2(a)(5) provides that when there is a disposition of safe harbor lease property by the lessee, the transferee must furnish, within 60 days of transfer, written consent to take property subject to the lease, or the lease will cease to be a safe harbor lease. We estimate that the total respondent/recordkeepers will be 10,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 10,000 hours.

Reg. 5c.168(f)(8)-2(a)(6).

Section 5c.168(f)(8)-2(a)(6) provides that a safe harbor lease will continue to be characterized as such if before there is a disposition of the lessee's interest in bankruptcy or similar proceeding, the lessor gives written notice of its tax ownership of the property and requests the court and the person in possession to provide a copy of the notice to the prospective purchaser or assignee; and all secured lenders release in writing the Federal income tax ownership of the property from their interests. We estimate that the total respondent/recordkeepers will be 5,000 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 10,000 hours.

Reg. 1.169-4(a)(1)(ix).

Section 1.169-4(a)(1)(ix) provides that persons electing 60-month amortization of pollution control facilities must include a statement that the facility has been certified by the Federal certifying authority and a copy of the certification, or if the facility has not been certified by the Federal certifying authority, a statement that application has been made to the proper state certifying authority, and a copy of the applications filed with the state and Federal certifying authorities; section 1.169-2(a)(1)(i), in defining the term "certified pollution facility," refers to the Federal certification requirement. We estimate that the total respondent/ recordkeepers will be 100 and time per respondent/recordkeeper will be 5 hours, and thus the total burden will be 500 hours.

Reg. 1.170A-4A(b)(4)(ii).

Section 1.170A-4A(b)(4)(ii) provides that charitable donees of certain types of donations transferred to them by other donees must give those transferring donees a written statement. We estimate that the total number of respondents will be 7,500 and the time per respondent will be 10 minutes, and thus the total burden will be 1,250 hours.

Reg. 1.170A-13(c)(4)(iv)(E).

Section 1.170A-13(c)(4)(iv)(E) requires every donor who presents an appraisal summary to a donee for signature to furnish a copy of the appraisal summary to the donee. If the donor is a partnership or an S corporation, paragraph (c)(4)(iv)(F) requires the donor to provide a copy of the appraisal summary to every partner or shareholder who receives an allocation of a charitable contribution deduction with respect to the property described in the appraisal summary. We estimate that the total number of respondents will be 2,000 and the time per respondent will be $\frac{1}{4}$ hour, and thus the total burden will be 500 hours.

Reg. 1.170A-14(g)(5).

Section 1.170A-14(g)(5) provides that the donor of a qualified real property interest who reserves certain types of rights must make available to the donee documentation sufficient to establish the condition of the property at the time of the gift. We estimate that the total number of respondents will be 1,000 and the time per respondent will be 10 minutes, and thus the total burden will be 167 hours.

Reg. 1.179-2(b)(7).

Section 1.179-2(b)(7) provides for the allocation of an expense deduction between component members of a controlled group. If separate returns are filed by any component member corporations, the common parent must enter into a written allocation agreement with the corporations filing separate returns. These corporations must include a copy of the allocation agreement with an income tax return on which an election is made to claim a deduction under section 179. We estimate that the total respondent/recordkeepers will be 5,000 and that the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 5,000 hours.

Reg. 1.194-2(b)(4).

Section 1.194-2(b)(4) provides for the allocation of the deduction for reforestation expenditures between component members of a controlled group. If separate returns are filed by any component corporations, the common parent must enter into a written allocation agreement with the corporations filing separate returns. These corporations must include a copy of the allocation agreement with an income tax return on which an election is made to claim a deduction under section 179. We estimate that the total respondents/recordkeepers will be 50 and the time per respondent/recordkeeper will be $\frac{1}{2}$ hour, and thus the total burden will be 25 hours.

Reg. 601.201(e)(7).

Section 601.201(e)(7) requires that if a ruling or determination letter request is signed by a taxpayer's representative, or the representative is to appear before the IRS in connection with such request, the representative must provide the IRS with written declaration of qualification and authority. We estimate that the total respondents will be 50,749 and the time per respondent will be $\frac{1}{2}$ hour, and thus the total burden will be 25,375 hours.

Reg. 601.201(o)(3)(ii) and (xiv)-(xxi).

Section 601.201(o)(3)(ii) and (xiv)-(xxi) requires that a taxpayer submitting a ruling or a determination letter request must provide notice to interested parties as provided herein

and in regulations under §7476. We estimate that the total respondents will be 53,420 and the time per respondent will be 2 hours, and thus the total burden will be 106,840 hours.

Reg. 601.201(o)(5).

Section 601.201(o)(5) provides that interested parties and the PBGC have the right to submit a written comment with respect to a taxpayer's request for a determination letter or to request that the Department of Labor submit such a comment. We estimate that the total respondents will be 534 and the time per respondent will be ½ hour, and thus the total burden will be 267 hours.

Reg. 601.201(o)(10).

Section 601.201(o)(10) provides that the exhaustion of administrative remedies requirement of 7476(b)(3) includes the notice to interested parties described in §601.201(o)(3)(ii) and (xiv)-(xxi). The burden of this requirement is subsumed in the burden of providing a notice to interested parties under §601.201(o)(3).

Reg. 601.201(p)(4).

Section 601.201(p)(4) provides that the notice to interested parties requirement described in §601.201(o)(3)(ii) and (xiv)-(xxi) and the right to comment described in §601.201(o)(5) apply to plans of self-employed individuals by reference. The burden of these requirements is subsumed in the burdens of providing a notice to interested parties under §601.201(o)(3) and the right of comment pursuant to §601.201(o)(5).

Reg. 601.201(q)(1).

Section 601.201(q)(1) provides that the notice to interested parties requirement described in §601.201(o)(3)(ii) and (xiv)-(xxi) and the right to comment described in §601.201(o)(5) apply to submissions requesting opinion letters for master and prototype plans by reference. We estimate that the total respondents will be 1,753 and the time per respondent will be 2 hours, and thus the total burden will be 3,506 hours.

Reg. 1.216-1(d)(2)(ii).

Section 1.216-1(d)(2)(ii) provides that, for purposes of making an election under section 216(b)(3)(B)(ii), cooperative housing corporations must furnish a written statement to each tenant-stockholder showing the amount of real estate taxes or interest (or both) allocated to the tenant-stockholder for the tenant-stockholder's dwelling unit or units and share of common areas. We estimate that there will be approximately 600 respondents per year and that it will take each respondent approximately ½ hour to collect the information. Thus, the total estimated annual reporting burden under section 1.216-1(d)(2)(ii) is 300 hours.

Reg. 1.219-1(d)(2) (proposed).

Section 1.219-1(d)(2) (proposed) provides that a taxpayer will be deemed to have made a contribution to an individual retirement account for a taxable year if such contribution is irrevocably specified in writing to the trustee, insurance company, or custodian that the amounts contributed are for such taxable year. We estimate that the total respondents

will be 9,567,000 and the time per respondent will be 1 minute, and thus the total burden will be 159,450 hours.

Reg. 1.219(a)-1(b)(2) (proposed).

Section 1.219(a)-1(b)(2) (proposed) provides that the term "simplified employee pension" has the meaning set forth in §1.408-7(a). Proposed §1.408-7(a) requires that the trustee of an individual retirement account or annuity who makes a distribution from such an account during any calendar year report the distribution on Form W-2P or Form 1099-R. The burden of this requirement is subsumed in the burden of providing the Form W-2P or Form 1099-R to the IRS.

Reg. 1.219(a)-2(c)(5) (proposed).

Section 1.219(a)-2(c)(5) (proposed) provides that a taxpayer will be deemed to have made a contribution to an individual retirement account for a taxable year if such contribution is irrevocably specified in writing to the trustee, insurance company, or custodian that the amounts contributed are for such taxable year. We estimate that the total respondents will be 9,567,000 and the time per respondent will be 1 minute, and thus the total burden will be 159,450 hours.

Reg. 1.219(a)-3(d) (proposed).

Section 1.219(a)-3(d) (proposed) provides that no deduction for certain married individuals is allowable under this section for a taxable year unless the individual and spouse file a joint return under §6013 for the taxable year. The burden of this requirement is subsumed in the burden of filing a joint return pursuant to §6013.

Reg. 1.219(a)-5(g) (proposed).

Section 1.219(a)-5(g) (proposed) provides that each employer who maintains a plan which accepts qualified voluntary employee contributions must furnish to each employee a report showing the amount of qualified voluntary employee contributions and withdrawals made by the employee for the calendar year. Additionally, the Commissioner may require additional reports and has the authority to modify the reporting requirements. There is no current burden with respect to making qualified voluntary employee contributions because the statutory provision which permitted qualified voluntary employee contributions was repealed for tax years beginning after December 31, 1986. The burden of furnishing a report showing the amount of voluntary employee contribution withdrawals is subsumed in the requirement of providing Form 1099 to the IRS.

Reg. 1.280G-1 Q&A 7 (proposed).

Section 1.280G-1 Q&A 7 (proposed) provides that, in order for a corporation, whose stock is not publicly traded, to exempt a payment from the definition of the term "parachute payment" in §280G(b)(2), it must disclose to its shareholders the material terms of the payment and obtain an approval vote of 75% of its shareholders. We estimate that the total respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be 200 hours, and thus the total burden will be 40,000 hours.

Reg. 1.305-5(b)(5).

Section 1.305-5(b)(5) provides that a corporation that determines that an issuance of its stock is a constructive distribution must disclose certain information to the stockholders. The corporation may do this by making available the address or telephone number of a contact person who will furnish the information upon request. We estimate that the total respondent/ recordkeepers will be 2,000 and the time per respondent/recordkeeper will be 10 minutes, and thus the total burden will be 333 hours.

Reg. 1.316-1(b)(5).

Section 1.316-1(b)(5) provides that a liquidating corporation may claim a dividends paid deduction for certain liquidating distributions if, among other things, it notifies the distributee of the amount to be treated as a dividend by the distributee. We estimate that the total respondent/recordkeepers will be 2,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 1,000 hours.

Reg. 1.338-1(g)(4).

Section 1.338-1(g)(4) provides that a foreign corporation making an election under section 338 must provide a written notice and a copy of Form 8023 and its attachment and instructions to U.S. persons with an interest in the corporation (or who sell such interest in the transaction) if the corporation is a controlled foreign corporation, a passive foreign investment company, or a foreign personal holding company. We estimate that the total respondent/ recordkeepers will be 100 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 1,000 hours.

Regs. 1.341-7(c)(1) and (d).

Section 1.341-7(c)(1) and (d) provides that if a corporation files a consent with the Service with respect to the disposition of certain "subsection (f) assets," the corporation must notify its shareholders and provide a copy of the consent to any shareholder who requests it. Under section 1.341-7(d), if the shareholder sells stock in the consenting corporation the shareholder must notify the corporation within 5 days of the sale. If the sale of stock is treated under Code section 341(f)(6) as a sale of stock of another corporation, the consenting corporation must, in turn, notify that other corporation within 5 days. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 250 hours.

Reg. 1.367(e)-1.

Section 1.367(e)-1 requires domestic corporate taxpayers to file statements with tax returns in order to secure nonrecognition treatment with respect to certain distributions of stock and securities to foreign corporations pursuant to section 355. We estimate that the total respondent/recordkeepers will be 2 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 4 hours.

Reg. 1.382-2T(k)(1).

Section 1.382-2T(k)(1) provides that loss corporations are subject to restrictions on the use of their losses if there is a more than 50% change in the direct or indirect ownership

of their stock. Section 1.382-2T(k)(1) allows a loss corporation, in tracking changes of ownership of its stock, to rely on a statement under penalties of perjury, from a director, officer, partner, trustee, executor, or similar responsible person of an entity that owns stock in the loss corporation. The statement will enable the loss corporation to establish the extent, if any, to which there has been a change in the indirect ownership of its stock through that entity. We estimate that the total respondent/recordkeepers will be 3,000 and the time per respondent/recordkeeper will be 20 minutes, and thus the total burden will be 1,000 hours.

Reg. 1.382-9(d)(2).

Section 1.382-9(d)(2) provides that a loss corporation can rely on a statement from a creditor, under penalties of perjury, regarding the length of time the creditor has held its debt and the amount of that debt to avoid restrictions on the uses of losses. This statement is helpful to the loss corporation in establishing that creditors receiving its stock have held the debt for the requisite period. We estimate that the total respondent/recordkeepers will be 250 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 63 hours.

Reg. 1.382-9(d)(4)(iv).

Section 1.382-9(d)(4)(iv) provides that a loss corporation can rely on a statement from a creditor, under penalties of perjury, that the criteria that cause the anti-abuse rule of section 1.382-9(d)(4) to apply have not been met. The anti-abuse rule disqualifies certain debt from favorable treatment under section 382 if ownership of an entity holding the debt changes hands. We estimate that the total respondent/recordkeepers will be 250 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour and thus the total burden will be 63 hours.

Reg. 1.401-1(a)(2).

Section 1.401-1(a)(2) defines a qualified plan as a written program and arrangement which is communicated to the employees. We estimate that the total recordkeepers will be 700,000 and the time per recordkeeper will be 42 minutes and thus the total burden will be 490,000 hours.

Reg. 1.401(a)-3(b) (proposed).

Section 1.401(a)-3(b) (proposed) explains that to establish a right to a refund of the amount mistakenly contributed or paid to a multi-employer plan, the employer must file a claim with the plan administrator within six months from the date in which the plan administrator determines that a mistake did occur. We estimate that the total respondents will be 3,000 and the time per respondent will be 6 minutes, and thus the total burden will be 300 hours.

Reg. 1.401(a)(5)-1(e)(4)(i).

Section 1.401(a)(5)-1(e)(4)(i) provides that an employer that maintains a defined benefit plan integrated with social security must provide written notice to each employee of (1) the employee's right to supply actual compensation history for purposes of determining the employee's benefits, (2) the financial consequences of failing to supply

the history, and (3) the availability of compensation history from the Social Security Administration. The notice must be given whenever a summary plan description is given to the employee and at the employee's separation from service. We estimate that the total number of respondent/recordkeepers subject to this requirement is 10 and that the time per respondent/recordkeepers is 1 hour, 24 minutes so the total burden is 14 hours.

Reg. 1.401(a)(9)-1 (Q&A:C-3) (proposed).

Section 1.401(a)(9)-1 (Q&A:C-3) (proposed) provides that a plan may permit elections of whether the 5-year rule applies or the exception to the five year rule. If this election is permitted, the proposed regulations provide specific timeframes for making these elections. We estimate that the total number of respondents will be 10,000 and the time per respondent will be 9 minutes, and thus the total burden will be 1,500 hours.

Reg. 1.401(a)(9)-1 (Q&A:D-5) (proposed).

Section 1.401(a)(9)-1 (Q&A:D-5) (proposed) provides rules that must be satisfied that apply when a trust is designated as a beneficiary of an employee's benefits. If certain requirements are met the beneficiary of the trust is treated as the employee's designated beneficiary for purposes of § 401(a)(9). One of the requirements is that a copy of the trust be provided to the plan. We estimate that the total number of respondents will be 100 and the time per respondent will be 3 minutes, and thus the total burden will be 5 hours.

Reg. 1.401(a)(9)-1 (Q&A E-8) (proposed).

Section 1.401(a)(9)-1 (Q&A E-8) (proposed) provides that a plan may permit elections of whether or not life expectancy will be calculated. If this election is permitted, the proposed regulations provide specific timeframes for making these elections. In the case of a QDRO, H-4 of §1.401(a)(9)-1 provides for the election to be made by the alternate payee. We estimate that the total number of respondents will be 20,000 and the time per respondent will be 9 minutes, and thus the total burden will be 3,000 hours.

Reg. 1.401(a)(9)-1 (Q&A H-3) (proposed).

Section 1.401(a)(9)-1 (Q&A H-3) (proposed) provides that, if distributions are required to commence in accordance with § 401(a)(9) while benefits are immediately distributable, the consent requirements of § 411(a)(11) and 417(e) are deemed to be satisfied if the plan has made reasonable efforts to obtain consent from the participant (or spouse if applicable). The rule is reiterated in transitional rule Q&A I-4 for distributions in 1985-1987. We estimate that the total number of respondents will be 1,000 and the time per respondent will be 6 minutes, and thus the total burden will be 100 hours.

Reg. 1.401(a)-13(e).

Section 1.401(a)-13(e) provides that an arrangement whereby a participant or beneficiary directs a qualified plan to pay plan benefits to a third party is not a prohibited assignment or alienation if the third party files a written acknowledgement with the plan administrator in accordance with requirements specified in the regulation. We estimate that the total respondent/recordkeepers will be 800,000 and that the time per respondent/recordkeeper will be 10 minutes, and thus the total burden will be 133,333 hours.

Reg. 1.401(a)-14(b).

Section 1.401(a)-14(b) permits a qualified plan to allow a participant to elect to receive the plan benefit later than the latest required beginning date if the participant makes a written election, containing certain information specified in the regulation. We estimate that the total respondent/recordkeepers will be 200,000 and that the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 50,000 hours.

Reg. 1.401(a)-20, Q&A 24.

Section 1.401(a)-20, Q&A 24 requires participants to provide spousal consent at the time a participant's accrued benefit is used as security for a loan, in order for a qualified plan to satisfy the survivor annuity requirements of §§401(a)(11) and 417. We estimate that the total respondent/recordkeepers will be 500,000 and that the time per respondent/recordkeeper will be 10 minutes, and thus the total burden will be 83,333 hours.

Reg. 1.401(a)-20, Q&A 34-37.

Section 1.401(a)-20, Q&A 34-37 requires qualified plans subject to the qualified joint and survivor annuity rules and the qualified preretirement survivor annuity rules to provide written explanations of those rules to participants, as required under §417(a)(3). We estimate that the total respondent/recordkeepers will be 750,000 and that the time per respondent/recordkeeper will be $\frac{1}{2}$ hour, and thus the total burden will be 375,000 hours.

Reg. 1.401(a)-20, Q&A 45-47.

Section 1.401(a)-20, Q&A 45-47 requires qualified plans subject to the qualified joint and survivor annuity requirements and the qualified preretirement survivor annuity requirements to provide notices to participants who performed service on or after September 2, 1974, but were not entitled to the qualified joint and survivor annuity protection of the Employee Retirement Income Security Act of 1974. We estimate that the total respondent/recordkeepers will be 25,000 and that the time per respondent/recordkeeper will be 24 minutes, and thus the total burden will be 10,000 hours.

Reg. 1.401(a)(31)-1 (Q&A-1 through 4).

Section 1.401(a)(31)-1 (Q&A-1 through 4) provides that a plan must provide a direct rollover election to each distributee of an eligible rollover distribution. Direct rollover may be accomplished by any reasonable means including providing the distributee with a check and instructing the distributee to deliver the check to the eligible retirement plan provided the check is made out in accordance with the requirements of that Q&A. We estimate that the total number of recordkeepers will be 8,900,000 and the time per recordkeeper will be 9 minutes, and thus the total burden will be 1,335,000 hours.

Reg. 1.401(a)(31)-1 (Q&A-12).

Section 1.401(a)(31)-1 (Q&A-12) provides that a plan may treat an election to make or not make a direct rollover with respect to one distribution in a series as applying to all distributions in the series provided certain requirements are met. One requirement is that

the §402(f) notice explain that the election will apply to all subsequent distributions in the series unless the participant changes the election. The burden under this provision is subsumed in the burden under 1.402(c)-2T (Q&A-11) so no additional burden results.

Reg. 1.401(a)-50.

Section 1.401(a)-50 provides that trusts under retirement plans created or organized in Puerto Rico are treated as trusts created or organized in the United States for purposes of the qualified plan rules, if the plan administrator makes an election under §1022(i)(2) of ERISA by filing an appropriate statement with the Director's Representative of the Internal Revenue Service in Puerto Rico. We estimate that the total respondent/recordkeepers will be 16 and that the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 8 hours.

Reg. 1.401(k)-1(d)(2)(iii) & (iv).

Section 1.401(k)-1(d)(2)(iii) & (iv) require no third party communication, but in practice a participant's receipt of a hardship distribution will depend on providing certain information to the plan administrator including information concerning the employee's financial need. In some cases other plans will have to be notified that the employee must cease contributions as a condition of receiving the hardship distribution. We estimate the total respondent/recordkeepers will be 75,000, the time per respondent will be 4 hours, and thus the total burden will be 300,000 hours.

Reg. 1.401(k)-1(f)(3)(ii)(A).

Section 1.401(k)-1(f)(3)(ii)(A) provides that a plan administrator must report to a participant and to the IRS on a Form 1099-R that a contribution to a 401(k) plan has been recharacterized. The burden under this provision is subsumed in the estimate for the Form 1099-R, so no additional burden results.

Reg. 1.401(m)-1(c)(2).

Section 1.401(m)-1(c)(2) provides that an employer must maintain records to demonstrate compliance with nondiscrimination requirements. We estimate the total respondent/recordkeepers will be 75,000, the time per respondent will be ½ hour, and thus the total burden will be 37,500 hours.

Reg. 1.401(m)-1(f)(6).

Section 1.401(m)-1(f)(6) provides that the definition of "employee contribution" means an employer must report the contribution as taxable income subject to withholding. We estimate the total respondent/recordkeepers will be 50,000, the time per respondent will be ½ hour, and thus the total burden will be 25,000 hours.

Reg. 1.402(c)-2 (Q&A-12 and -13) (final).

Section 1.402(c)-2 (Q&A-12 and -13) (final) provide the time periods for providing the notice under Q&A-11. Essentially they pick up the 90/30 day time period in 1.411(a)(11)-11(c). The burden under this provision is subsumed in the burden under Q&A-11, so no additional burden results.

Reg. 1.402(c)-2T (Q&A-14) (final).

Section 1.402(c)-2T (Q&A-14) (final) provides that, in the case of a series of periodic payments, one notice may apply to all the payments in the series in one year but that the notice must be repeated annually. The burden under this provision is subsumed in the burden under Q&A-11, so no additional burden results.

Reg. 1.402(e)-2(f) (proposed).

Section 1.402(e)-2(f) (proposed) provides that an employer who maintains a plan must report a lump sum distribution to the recipient on Form 1099R. In the alternative, the information may be communicated by the fiduciary of the trust or the payor of such distribution. We estimate that the total respondent/recordkeepers will be 700,000 and the time per respondent will be 1 hour, and thus the total burden will be 700,000 hours.

Reg. 1.402(f)-1.

Section 1.402(f)-1 provides that plan administrators must give recipients of certain qualified total or partial distributions a written explanation of the rules relating to rollovers, capital gains and the separate tax on lump sum distributions. We estimate that the total respondent/recordkeepers will be 400,000 and the time per respondent will be 35 minutes, and thus the total burden will be 233,333 hours.

Reg. 1.402(g)-1(e)(2).

Section 1.402(g)-1(e)(2) provides that, when excess deferrals are corrected after the taxable year, a participant may notify each plan under which deferrals were made, of the amount of the excess deferrals and the plan must distribute (and report) the amount by April 15th. We estimate the total respondent/recordkeepers will be 75,000, the time per respondent will be ½ hour, and thus the total burden will be 37,500 hours.

Reg. 1.402(g)-1(e)(3).

Section 1.402(g)-1(e)(3) provides that a plan may only correct excess deferrals during the taxable year if the plan or the participant designates the distribution as an excess deferral. We estimate the total respondent/recordkeepers will be 100,000, the time per respondent will be ¼ hour, and thus the total burden will be 25,000 hours.

Reg. 1.403(b)-2 (Q&A-3) (final).

Section 1.403(b)-2 (Q&A-3) (final) requires the payor of a §403(b) annuity to provide an explanation to any distributee of an eligible rollover distribution. It must explain the distributee's right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover. The payor must provide the explanation within a reasonable time period before making the distribution. We estimate that the total number of recordkeepers will be 100, and the average time per recordkeeper will be 50 hours. Thus the total burden will be 5,000 hours.

Reg. 1.408-5 (proposed).

Section 1.408-5 (proposed) provides that every trustee of an individual retirement account and every issuer of an individual retirement annuity shall furnish to the owner of such account or annuity a Form 5498 annually. We estimate that the total

respondent/recordkeepers will be 10,000 and the time per respondent will be 20 hours and thus the total burden will be 200,000 hours.

Reg. 1.408-5.

Section 1.408-5 provides that every trustee of an individual retirement account and every issuer of an individual retirement annuity shall furnish to the owner of such account or annuity an annual statement showing the amount of contributions and distributions. We estimate that the total respondent/recordkeepers will be 10,000 and the time per respondent will be 10 hours, and thus the total burden will be 100,000 hours.

Reg. 1.408-6.

Section 1.408-6 provides that every trustee of an individual retirement account and every issuer of an individual retirement annuity must give to the purchaser a disclosure statement. We estimate that the respondent/recordkeepers will be 10,000 and the time per respondent will be 250 hours and thus the total burden will be 2,500,000 hours.

Reg. 1.408-6(b) (proposed).

Section 1.408-6(b) (proposed) provides that the trustee of an individual retirement account and the issuer of an individual retirement annuity shall furnish to the benefitted individual of a spousal individual retirement plan a disclosure statement. We estimate that the total respondent/recordkeepers will be 10,000 and the time per respondent will be 10 hours and thus the total burden will be 100,000 hours.

Reg. 1.408-6(d)(4)(ii)(C).

Section 1.408-6(d)(4)(ii)(C) provides that every trustee of an individual retirement account or every issuer of an individual retirement annuity which amends the governing instrument must furnish the account holder or the contract owner a copy of the amendment and an amended disclosure statement which explains the amendment. We estimate that the respondent/recordkeepers will be 500 and the time per respondent will be 10 hours and thus the total burden will be 5,000 hours.

Reg. 1.408-7.

Section 1.408-7 provides that the trustee of an individual retirement account or the issuer of an individual retirement annuity who makes a distribution during any calendar year shall make a report on Form 1099R. We estimate that the total respondent/recordkeepers will be 10,000 and the time per respondent will be 20 hours, and thus the total burden will be 200,000 hours. This includes the time needed to retrieve the information, print the form and furnish it to a third party.

Reg. 1.408-9(a) (proposed).

Section 1.408-9(a) (proposed) provides that every employer who adopts a simplified employee pension shall furnish to each employee information about the simplified employee pension. We estimate that the total respondent/recordkeepers will be 5,000 and the time per respondent will be 2 hours, and thus the total burden will be 10,000 hours.

Reg. 1.408-9(b) (proposed).

Section 1.408-9(b) (proposed) provides that for each calendar year, the employer shall furnish to the employee a written statement indicating the amount of employer contributions made to the employee's individual retirement account or individual retirement annuity under a simplified employee pension arrangement. We estimate that the total respondent/ recordkeepers will be 50,000 and the time per respondent will be 1 hour, and thus the total burden will be 50,000 hours.

Reg. 1.411(a)-4(b)(6).

Section 1.411(a)-4(b)(6) requires that, to satisfy the vesting requirements, a plan must provide for reinstatement of a forfeited benefit of a lost beneficiary if a claim is made by the participant or beneficiary for the forfeited benefit. We estimate the total respondent/ recordkeepers will be 5,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 5,000 hours.

Reg. 1.411(a)-8T(b) (temporary).

Section 1.411(a)-8T(b) (temporary) provides that a plan must allow participants with 3 years of service to make the election described under §1.411(a)-8(b) above with respect to post-1988 amendments. We estimate the total respondent/recordkeepers will be 4,000 and the time per respondent/keeper will be 2 hours, and thus the total burden will be 8,000 hours.

Reg. 1.411(a)-11(c).

Section 1.411(a)-11(c) provides that consent under 411(a)(11) is not valid unless the participant receives a general description of material features and relative value of optional forms not more than 90 days and not less than 30 days before the annuity starting date for the distribution. Written consent is required before the commencement of the distribution of a portion of an accrued benefit if the total accrued benefit is greater than \$3,500. We estimate that the total number of respondents will be 11,300,000 and the time per respondent will be 3 minutes, and thus the total burden will be 565,000 hours.

Reg. 1.411(d)-4 Q&A-2(d)(iv)(3).

Section 1.411(d)-4 Q&A-2(d)(iv)(3) involves the prohibition on reducing or eliminating §411(d)(6) protected benefits. If a plan is merged, transferred, etc., the protected benefit (e.g., distribution in annual installments) must be retained. The proper records have to be maintained and disclosed to the "new" plan in order to satisfy this requirement. We estimate the total respondent/recordkeepers will be 3,000, the time per respondent will be ½ hour, and thus the total burden will be 1,500 hours.

Reg. 1.411(d)-4 Q&A-3(b)(1).

Section 1.411(d)-4 Q&A-3(b)(1) requires various notice and participant and spousal consents for elective transfers between plans that result in reduction or elimination of a §411(d)(6) protected benefit. We estimate the total respondent/recordkeepers will be 1,500, the time per respondent will be ½ hour, and thus the total burden will be 750 hours.

Reg. 1.412(c)(1)-3(c), (e) and (i).

Section 1.412(c)(1)-3(c), (e) and (i) provide a funding method for plans that are or have been terminated and later restored by the PBGC (Pension Benefit Guaranty Corporation). Under this funding method, the PBGC determines a restoration payment schedule. When the PBGC establishes the payment schedule, the Executive Director of the PBGC must certify to the IRS that the PBGC has reviewed the funding of the Plan and the financial condition of the plan sponsor and the PBGC has determined that it is in the best interest of plan participants and beneficiaries that the plan not be re-terminated. The Plan administrator must notify PBGC of any changes in the actuarial assumptions or methods used by the plan. PBGC must certify to the IRS annually that it is in the best interests of plan participants and beneficiaries that the plan not be reterminated. We estimate that the total respondent/recordkeepers providing restoration payment schedule information to the PBGC will be 6, and that the total respondent/ recordkeepers notifying the PBGC of any changes in actuarial assumptions or methods will be 1. The time burden for supplying the information to the PBGC are 5 hours and 3 hours, respectively. Thus, the total burden will be 30 hours and 3 hours, respectively.

Reg. 11.412(c)-7 (temporary).

Section 11.412(c)-7 (temporary) provides that a plan administrator may elect to have an amendment that reduces a participant's accrued benefit and is adopted after the close of the plan year deemed to have been made on the first day of the plan year (in accordance with 412(c)(8)) if (*inter alia*), the Secretary of Labor is notified of the amendment and either approves the amendment or fails to disapprove it within 90 days. We estimate that the total respondent/recordkeepers will be 500, and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 1,000 hours.

Reg. 1.414(l)-1(h)(4)(i)(2).

Section 1.414(l)-1(h)(4)(i)(2) provides that, in order to use an alternative data maintenance procedure, an enrolled actuary must certify actual data maintenance to the plan administrator. We estimate that the total respondent/recordkeepers will be 1000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 1,000 hours.

Reg. 1.415-6(e)(6).

Section 1.415-6(e)(6) provides that a participant in a 403(b) contract may make a special election to take advantage of an "alternative limit" under §415 if it is reflected on the individual's income tax return, and a statement is attached to the return concerning the election. We estimate the total respondent/recordkeepers will be 1,000, the time per respondent will be ½ hour, and thus the total burden will be 500 hours.

Reg. 1.417(e)-1(b)(2).

Section 1.417(e)-1(b)(2) provides that, in certain cases, a plan administrator must get the written consent of the participant, and, if married, the participant's spouse to make plan distributions to them in a form other than a qualified joint and survivor annuity. The administrator must furnish the participant a general description of the material features and an explanation of the relative values of the optional forms of benefit available under

the plan. These requirements are largely mandated under §417(a)(3). It has been estimated that approximately 750,000 plan administrators are required to provide notices to approximately 3,000,000 participants, and that the average plan administrator spends ½ hour implementing this requirement. The annual burden is therefore approximately 375,000 hours.

Reg. 1.421-1(a)(1) & 1.421-7(a)(1).

Sections 1.421-1(a)(1) & 1.421-7(a)(1) provides that, in order for a stock option to be eligible for taxation under section 421, it must be furnished to the optionee in writing. We estimate that the total number of respondents is 10,000, and the average time per respondent is 40 hours, and thus the total burden is 400,000 hours.

Reg. 1.421-1(b)(1) and 1.421-7(c)(1).

Sections 1.421-1(b)(1) and 1.421-7(c)(1) provide that a corporation granting a statutory stock option must notify the optionee of its offer to sell stock without unreasonable delay. An untimely notice may be considered to be made on the date that notice of the offer is transmitted to the optionee (as opposed to some earlier date of grant specified in the offer). The burden required by this regulation will be reflected in the burden estimates for sections 1.421-1(a)(1) and 1.421-7(a)(1).

Reg. 1.422-5.

Section 1.422-5 provides that, in order for a stock option to receive incentive stock option treatment, the shareholders of the corporation granting the option (and, implicitly, the shareholders of the corporation whose stock is being optioned, if it is not the granting corporation) must approve the option plan as specified in this section. We estimate that the total number of respondent/recordkeepers will be 5,000 and that the time per respondent/recordkeeper will be 20 hours. Thus, the total burden will be 100,000 hours.

Reg. 14a.422A-1 Q&A 2(c)(1) (temporary).

Section 14a.422A-1 Q&A 2(c)(1) (temporary) provides that, in order for a stock option to be treated as an incentive stock option, the plan under which the option is granted must be approved by the shareholders of the granting corporation within 12 months before or after it is adopted by the board of directors. The burden required by this regulation will be reflected in the burden estimates for Section 1.422-5.

Reg. 14a.422A-1 Q&A-18 (temporary).

Section 14a.422A-1 Q&A-18 (temporary) provides that, if a stock option granted on or after January 1, 1976, is not exercised prior to January 21, 1982, and it exceeds either the \$100,000 per year limit, the \$50,000 per year limit or the \$200,000 aggregate limit (as applicable) for incentive stock options, then, in order for a portion of the option to qualify for ISO treatment, the option must be split into an ISO portion and a non-ISO portion, and separate stock certificates must be issued for the ISO stock and the non-ISO stock. Also, if the option is granted on or after January 1, 1981, the option plan must be amended to add the \$100,000 limit before the option is exercised. Because options currently granted should conform to these requirements without the necessity of being split, and because the option plans should conform without the necessity of being

amended, the burden required by this regulation is reflected in the burden estimate for section 1.422-5.

Reg. 14a.422A-1 Q&A-26 (temporary).

Section 14a.422A-1 Q&A-26 (temporary) provides that, if a stock option granted after August 13, 1981, has terms (or its underlying plan has terms) that fail to meet the requirements for incentive stock options, the option (or plan) must be amended to meet those requirements in order for the option to receive ISO treatment. Because plans currently drafted should conform to these requirements without the necessity of amendment, the burden required by this regulation is reflected in the burden estimates for section 1.422-5.

Reg. 14a.422A-1 Q&A-30 (temporary).

Section 14a.422A-1 Q&A-30 (temporary) provides that, if a stock option plan receives timely shareholder approval but is subsequently amended to conform to the requirements for incentive stock options, new shareholder approval of the plan is required if, as originally approved, the plan did not specify the aggregate number of issuable shares or identify the employees (or class of employees) eligible for options. We estimate that the total number of respondent/recordkeepers will be 500 and that the time per respondent/recordkeeper will be 20 hours. Thus, the total burden will be 10,000 hours.

Reg. 1.422A-2(b)(1) and (2) (proposed).

Section 1.422A-2(b)(1) and (2) (proposed) provide that an incentive stock option must be granted pursuant to a written plan specifying certain information, and the plan must be adopted by the corporation's board of directors and must be approved by its shareholders within 12 months before or after it is adopted. The burden required by this regulation is reflected in the burden estimates for Section 1.422-5.

Reg. 1.422A-2(b)(3)(iv) (proposed).

Section 1.422A-2(b)(3)(iv) (proposed) provides that any increase in the number of shares to be offered for stock options or change in the designation of employees (or class of employees) eligible to receive options under an incentive stock option plan constitutes the adoption of a new plan that requires new shareholder approval. We estimate that the total number of respondent/recordkeepers will be 500 and that the time per respondent/recordkeeper will be 20 hours. Thus, the total burden will be 10,000 hours.

Reg. 1.423-2(c)(1).

Section 1.423-2(c)(1) provides that, in order for a stock option plan to qualify as an employee stock purchase plan, it must be adopted by the corporation's board of directors and must be approved by its shareholders within 12 months before or after it is adopted. We estimate that the total number of respondent/recordkeepers will be 5,000 and that the time per respondent/recordkeeper will be 20 hours. Thus, the total burden will be 100,000 hours.

Reg. 1.423-2(c)(4).

Section 1.423-2(c)(4) provides that any increase in the number of shares to be offered for stock options or change in the designation of employees (or class of employees) eligible to receive options under an employee stock purchase plan constitutes the adoption of a new plan that requires new shareholder approval. We estimate that the total number of respondent/recordkeepers will be 500 and that the time per respondent/recordkeeper will be 20 hours. Thus, the total burden will be 10,000 hours.

Reg. 1.423-2(e).

Section 1.423-2(e) provides that options must be granted to all employees who are entitled to an option under the terms of an employee stock purchase plan or offering made under the plan. Otherwise, none of the options granted under the offering will be treated as having been granted under an employee stock purchase plan. The burden

required by this regulation is reflected in the burden estimate for sections 1.421-1(a)(1) and 1.421-7(a)(1).

Reg. 1.457-1(b)(1).

Section 1.457-1(b)(1) provides that amounts deferred under an eligible § 457 plan will not be considered made available to the participant or beneficiary if under the plan the participant may irrevocably elect, prior to the time such amounts become payable, to defer payment of some of such amounts to a fixed or determinable future time. We estimate that the total respondents will be 600,000 and the time per respondent will be 3 minutes, and thus the total burden will be 30,000 hours.

Reg. 1.457-2(b).

Section 1.457-2(b), in defining a plan, states that a plan includes any agreement or arrangement between a state and a participant or participants, under which the payment of compensation is deferred. We estimate that the total recordkeepers will be 36,000 and the time per recordkeeper will be 50 hours, and thus the total burden will be 1,800,000 hours.

Reg. 1.457-2(g).

Section 1.457-2(g) requires that a plan must provide that compensation is to be deferred for any calendar month only if an agreement providing for such deferral has been entered into before the first day of the month, or, in the case of a new employee, if an agreement providing for such deferral is entered into on or before the first day on which the participant becomes an employee. We estimate that the total recordkeepers will be 35,000 and the time per recordkeeper will be 6 hours, and thus the total burden will be 210,000 hours.

Reg. 1.457-2(h)(1).

Section 1.457-2(h)(1) requires no third party communication, but in practice a participant's receipt of a hardship distribution will depend on providing certain information to the plan administrator including information concerning the employee's financial need. We estimate that the total respondents will be 100,000 and the time per respondent will be ½ hour, and thus the total burden will be 50,000 hours.

Reg. 1.457-2(i)(2).

Section 1.457-2(i)(2) provides for selection by participants of a schedule of distributions under a plan and requires that the schedule must be such that benefits payable to a beneficiary are no more than incidental. We estimate that the total respondents will be 400,000 and the time per respondent will be 3 minutes, and thus the total burden will be 20,000 hours.

Reg. 1.457-2(k).

Section 1.457-2(k) provides for automatic plan to plan transfer if a participant separates from service to accept employment with another eligible employer, but in practice some

sort of notification would be necessary to cause this to happen. We estimate that the total respondents will be 50,000 and the time per respondent will be ¼ hour, and thus the total burden will be 12,500 hours.

Reg. 1.468A-3(h).

Section 1.468A-3(h) provides that for the issuance of a schedule of ruling amounts a utility must submit to the Service a copy of the utility commission rate order and relevant background material, particularly those portions of the record dealing with the assumptions used by the commission in determining decommissioning costs. Although a rate order would be obtained regardless of §468A, the order or background material filed with the commission probably contains certain items for the purpose of complying with §468A. We estimate that the total respondent/recordkeepers will be 350 and the time per respondent/recordkeeper will be 5 hours, and thus the total burden will be 1,750 hours.

Reg. 1.501(e)-1.

Section 1.501(e)-1 requires that a cooperative hospital service organization must make timely written notice to each patron-hospital disclosing to the patron-hospital the amount of net earnings allocated to it on the books of the organization. We estimate that the total respondent/recordkeepers will be 1,500 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 1,500 hours.

Reg. 1.509(a)-3(c)(1)(b).

Section 1.509(a)-3(c)(1)(b) requires that a grantor or contributor to an organization will not be considered to be responsible for, or aware of, a substantial change in the support of an organization if that grantor/contributor has a written statement from the grantee foundation that the grant or contribution will not result in the loss of such organization's classification as not a private foundation under §509(a), and such grant/contribution was made in reliance on the written statement. The written statement must be signed by a responsible officer of the organization and must set forth enough information, including a summary of pertinent financial data for the four preceding years, to assure a reasonably prudent person that his/her grant or contribution will not result in the loss of the grantee organization's classification as not a private foundation under §509(a). We estimate that the total respondent/recordkeepers will be 400 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 1,200 hours.

Reg. 1.509(a)-4(i)(3)(d).

Section 1.509(a)-4(i)(3)(d) offers a safe harbor to ensure that a supporting organization meets the integral part test. That safe harbor requires that the supporting organization furnish reports at least annually, for taxable years beginning after December 31, 1971, to the beneficiary organization to assist the beneficiary organization in insuring that the supporting organization has invested its endowment in assets productive of a reasonable rate of return and has not engaged in any activity which would give rise to liability for a tax imposed under §§ 4941, 4943, 4944, or 4945, if such organization were a private foundation. We estimate that the total respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 600 hours.

Reg. 1.509(a)-4(i)(4).

Section 1.509(a)-4(i)(4) provides a transitional rule for the integral part test. It provides that a trust, whether or not exempt from taxation under § 501(a), shall be treated as meeting the requirements of the integral parts test if the trustee of such trust makes annual written reports to all of the beneficiary publicly supported organizations with respect to such trust setting forth a description of the assets of the trust, including a detailed list of the assets and the income produced by such assets. We estimate that the total respondent/recordkeepers will be 40 and the time per respondent/recordkeeper will be 4 hours, and thus the total burden will be 160 hours.

Reg. 1.521-1(f).

Section 1.521-1(f) provides that a farmers' cooperative association must pay patronage dividends by qualified and nonqualified written notices of allocation, consents by patrons, and qualified checks. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeepers will be 1 hour, and thus the total burden will be 1,000 hours.

Reg. 1.585-2(c)(2).

Section 1.585-2(c)(2) provides that new banks must obtain information about the bad debt history of "comparable banks" to compute a reasonable addition to their bad debt reserves. This information is currently maintained by the FDIC. We estimate that the total number of bank respondents/recordkeepers will be 300. We estimate that the total number of responses per bank respondent/recordkeeper will be 1. The estimated time per bank respondent/recordkeeper will vary from 5 to 10 minutes depending on individual circumstances, with an estimated average time of 7 minutes, and thus the total burden will be 35 hours. We estimate that the total number of federal regulator respondents/recordkeepers will be 1. We estimate that the total number of responses per federal regulator respondent/recordkeeper will be 300. The estimated time per federal regulator respondent/recordkeeper response will vary from 15 minutes to ½ hour depending on individual circumstances, with an estimated average time of 23 minutes, and thus the total burden will be 115 hours.

Reg. 1.597-4(g)(5).

Section 1.597-4(g)(5) provides that an affiliated group of corporations filing a consolidated income tax return may elect not to include certain financial institutions that are in receivership in the affiliated group. The group makes the election by sending a statement containing certain information by certified mail to the institution. The group must also send a similar statement to all other institutions in the group that are placed in receivership during the consistency period. We estimate that the total respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 200 hours.

Reg. 1.613A-3(k)(1).

Section 1.613A-3(k)(1) provides that operators, partnerships, trusts, and estates who are

producers of domestic crude oil or natural gas are required to provide each holder of an interest, each partner, or each beneficiary, with all information in its possession necessary to determine the amount of the interest holder's, partner's, or beneficiary's depletion deduction allowable for such crude oil or natural gas. We estimate that there will be approximately 2,500 respondents per year and that it will take each respondent approximately ¼ hour to collect the information required in section 1.613A-3(k)(1). Thus, the total estimated annual reporting burden under section 1.613A-3(k)(1) is 625 hours.

Reg. 1.642(c)-2(b)(3)(ii)(B).

Section 1.642(c)-2(b)(3)(ii)(B) provides circumstances under which a trustee of a trust whose grantor is mentally incompetent must obtain from a qualified physician a certificate to verify that the grantor is mentally incompetent. We estimate that the total respondent/ recordkeepers will be 30 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 30 hours.

Reg. 1.642(c)-2(e) (proposed).

Section 1.642(c)-2(e) (proposed regulations) provides that recordkeeping and return requirements set out in §1.170A-13 must be satisfied if an estate, trust or pooled income fund is to be allowed a charitable deduction under section 642. Under proposed §1.170A-13, a charitable donee of certain property must substantiate a gift in accordance with certain requirements. A charitable donee of certain property must also provide the donor with information regarding the value of goods or services received by the donor. We estimate that the total respondent/recordkeepers will be 600 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 300 hours.

Reg. 1.642(i)-1(d).

Section 1.642(i)-1(d) provides that a trustee of a cemetery perpetual care fund shall not be held personally liable for civil or criminal penalties resulting from false statements on the trust's tax return to the extent that the false statements resulted from the trustee's reliance on a certified statement made by the cemetery. The statement must be certified by an officer or responsible employee of the cemetery. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 50 hours.

Reg. 1.664-2(a)(2)(iii).

Section 1.664-2(a)(2)(iii) provides that if the grantor of a charitable remainder annuity trust underestimates the initial net fair market value of property placed in trust and as result specifies a fixed dollar annual payment that is less than the required 5 percent of the initial net fair market value of the property, the trust will be deemed to have met the 5 percent requirement if the grantor or the grantor's representative consents by agreement with the district director to accept as the fair market value of the property in determining the appropriate charitable contributions deduction an amount equal to 20 times the annuity. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/ recordkeeper will be 1 hour, and thus the total burden will be 50 hours.

Reg. 1.671-4(b).

Section 1.671-4(b)(2)(i)(A) provides an alternative method for reporting by a trust all of which is treated as owned by the grantor or another person, under which the trust is to furnish the name and TIN of the grantor or other person treated as the owner of the trust to all payors of the trust. Section 1.671-4(b)(2)(i)(B) provides for an alternative method for reporting by a trust all of which is treated as owned by one or more grantors or other persons, under which the trust is to furnish the name and TIN of the trust to all payors of the trust. Section 1.671-4(b)(3)(i) provides that in the case of a trust all of which is treated as owned by two or more grantors or other persons, the trustee must furnish the name, TIN, and address of the trust to all payors for the taxable year. We estimate that the total respondents/ recordkeepers per year will be 1,840,000 and the time per respondent/recordkeeper will be 6 minutes, and thus the total annual burden will be 184,000 hours.

Reg. 1.761-2(b)(3)(i).

Section 1.761-2(b)(3)(i) provides that an election to be excluded from subchapter K is effective unless within 90 days after an organization's formation a member has notified the Commissioner and all other members of the organization that the member desires subchapter K to apply. The member must notify the other members by registered or certified mail. We estimate that the total respondent/recordkeepers will be 10 and the time per respondent/ recordkeeper will be 2 hours, and thus the total burden will be 20 hours.

Reg. 1.761-2(b)(3)(ii).

Section 1.761-2(b)(3)(ii) provides that if an organization is deemed to have elected out of subchapter K and one member of the organization wants subchapter K to apply, that member must notify the Commissioner and all other members of the organization that the member desires subchapter K to apply. The member must notify the other members by registered or certified mail. We estimate that the total respondent/recordkeepers will be 1 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 2 hours.

Reg. 1.817-5(h)(4).

Section 1.817-5(h)(4) provides an alternative methodology for treating a segregated asset account as also a real property account. The issuer must state in the contract or prospectus or in a submission to a regulatory agency an intention that the assets of the account will be primarily invested in real property or interests in real property. We estimate that the total number of respondent/recordkeepers will be 12 and the time per respondent/recordkeeper will be 3 hours, thus the total burden will be 36 hours.

Reg. 1.823-6(c)(2)(v).

Section 1.823-6(c)(2)(v) provides that a reciprocal or interinsurer claiming a (2)(v) deduction under prior §823(b)(2) for amounts credited to the individual accounts of its subscribers must mail to each subscriber a notice with certain information. (Prior law

§823(b)(2) has been renumbered as §832(f) of the Code.) We estimate that the total number of respondent/recordkeepers will be 75 and the time per respondent/recordkeeper is 150 hours, thus the total burden will be 11,250 hours.

Reg. 1.826-3(c)(2).

Section 1.826-3(c)(2) provides that a consenting attorney-in-fact must provide to its reciprocal a copy of the statement containing the items described in §1.826-3(b) (e.g., items of income and deduction) as well a copy of the income tax return of the consenting attorney-in-fact. (Prior law §826(c)(2) has been renumbered as §835(c)(2) of the Code.) We estimate that the total number of respondent/recordkeepers is 30 and the time per respondent/recordkeeper is 4 hours, thus the total burden will be 120 hours.

Reg. 1.826-6(a).

Section 1.826-6(a) provides that when a consenting attorney-in-fact applies for a credit or refund of taxes, it shall give written notice to its reciprocal, first, upon applying for a credit or refund, and again, within 10 days from the date on which the final determination is made that such credit or refund has been allowed or denied. See §1.826-6(b) of the regulations for the form of the notice. (Prior law §826 has been renumbered as §835 of the Code.) We estimate that the total number of respondent/recordkeepers is 30 and the time per respondent/recordkeeper is 2 hours, thus the total burden is 60 hours.

Reg. 1.832-4(d)(2).

Section 1.832-4(d)(2) provides that certain insurance companies must disclose on either the annual statement or a separate disclosure document filed with the state regulatory authority, the extent to which estimated salvage recoverable was taken into account in computing the unpaid losses shown on the annual statement. We estimate that the total number of respondent/recordkeepers is 500 and the time per respondent/recordkeeper is 3 hours, thus the total burden is 1,500 hours.

Reg. 1.848-2(g)(8)(iii).

Section 1.848-2(g)(8)(iii) provides that, in order to elect to determine specified policy acquisition expenses for an agreement without regard to the general deductions limitation, the parties to a reinsurance agreement must, among other matters, set forth the agreement of the parties to exchange information pertaining to the amount of net consideration under the reinsurance agreement to ensure consistency. It is implicit in this requirement that the parties actually exchange the relevant information. We estimate that the total number of respondent/ recordkeepers is 1,500 and the time per respondent/recordkeeper is 3 hours, thus the total burden is 4,500 hours.

Reg. 1.852-4(c)(4).

Section 1.852-4(c)(4) provides that RICs must provide statements to shareholders regarding the distribution of capital gain dividends. The requirement may be satisfied by sending Form 1099-DIV to the shareholders. Therefore, the burden estimate is reflected

in the Form 1099-DIV.

Reg. 1.852-6(c).

Section 1.852-6(c) provides that RICs must request information from certain record shareholders about the actual ownership of its stock, and inform shareholders of the shareholders' duty to provide the information directly to the IRS if they fail to respond to the request. The regulation is satisfied by the shareholders' responding with a written statement providing the necessary information. We estimate that the total number of respondents/ recordkeepers will be 60. We estimate that the total number of responses per respondent will be 4. The estimated time per respondent/recordkeeper will vary from 3 to 5 minutes depending on individual circumstances, with an estimated average time of 4 minutes, and thus the total burden will be 16 hours. We estimate that the total number of shareholder respondents/recordkeepers will be 240. We estimate that the total number of responses per shareholder respondent/recordkeeper will be 1. The estimated time per shareholder respondent/recordkeeper will vary from 10 to 20 minutes depending on individual circumstances, with an estimated average time of $\frac{1}{4}$ hour, and thus the total burden will be 60 hours.

Reg. 1.853-3(a).

Section 1.853-3(a) provides that a RIC making an election under section 853(a) is required to furnish its shareholders with a written notice mailed after the close of its taxable year. The notice must designate the shareholder's portion of foreign taxes paid to each country or possession and the portion of the dividend which represents income derived from sources within each country or possession. We estimate that the total respondent/ recordkeepers will be 1,200 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 1,200 hours.

Reg. 1.853-3(b).

Section 1.853-3(b) provides that, in any case where a notice is mailed pursuant to section 1.853-3(a) to a shareholder of record who is a nominee acting as a custodian of a unit investment trust, the nominee shall furnish each holder of an interest in such trust with a written notice designating the holder's proportionate share of the amounts of foreign taxes paid and the holder's proportionate share of the dividend which represents income derived from sources within each foreign country or possession. We estimate that the total respondent/ recordkeepers will be 600 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 150 hours.

Reg. 1.854-2(a).

Section 1.854-2(a) provides that RICs must provide written notice to shareholders designating the amount a shareholder may treat as a dividend for purposes of section 243 and certain other statutory exclusions. We estimate that the total respondent/recordkeepers will be 6,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 6,000 hours.

Reg. 1.854-2(b).

Section 1.854-2(b) provides that in any case where a notice is mailed pursuant to §1.854-2(a) to a shareholder of record who is a nominee acting as a custodian of a unit investment trust, the nominee shall furnish each holder of an interest in such trust with a written notice designating the holder's proportionate share of the amounts that may be treated as a dividend for purposes of section 243 and certain other statutory exclusions. In the alternative, a RIC may agree with the nominee described in the preceding sentence to satisfy the notice requirements of §1.854-2(a) and, in this instance, shall file with the Internal Revenue Service a statement that the holders of the unit investment trust have been notified directly by the RIC. We estimate that the total respondent/recordkeepers will be 3000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 750 hours.

Reg. 1.857-6(e).

Section 1.857-6(e) and (f) provides that a REIT that designates any dividend or part thereof as a capital gain dividend must send a written notice to its shareholders within a specified period of time. A REIT may (but is not required to) provide this information on a Form 1099. Therefore, most of the burden described in this paragraph may already be reflected in the burden for the Form 1099.

Reg. 1.857-8(d).

Section 1.857-8(d) provides that a REIT must send letters to certain of its shareholders of record requesting written statements containing ownership information and informing the shareholders of their duty to provide the information directly to the IRS if they fail to respond to the REIT's request. For the REITs, we estimate that the total respondent/recordkeepers will be 310 and the time per respondent/recordkeeper will be 10 minutes, and thus the total burden will be 52 hours. For the shareholders, we estimate that the total respondent/recordkeepers will be 15,000 and the time per respondent will be ¼ hour, and thus the total burden will be 3,750 hours.

Reg. 1.858-1(e).

Section 1.858-1(e) provides that a REIT that elects under section 858(a) of the Code to pay a dividend after the close of the taxable year must send a written notice to its shareholders not later than 30 days after the close of the taxable year in which the distribution is made. A REIT may (but is not required to) provide this information on a Form 1099. Therefore, most of the burden described in this paragraph may already be reflected in the burden for the Form 1099.

Reg. 1.860D-1(b)(5).

Section 1.860D-1(b)(5) provides that a REMIC will be treated as having adopted reasonable arrangements to ensure that a disqualified organization does not own its residual interests if, among other things, the REMIC states on its residual interest certificates, in its prospectus, or in its private offering documents the prohibitions on owning its residual interests. We estimate that the total respondent/recordkeepers will be

800 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 200 hours.

Reg. 1.860E-2(a)(5).

Section 1.860E-2(a)(5) provides that a REMIC must furnish to any person that transfers a residual interest, the information needed to compute the present value of the excess inclusions expected to accrue on that interest after its transfer. The REMIC need furnish the information only on request, and only if the residual interest is transferred to someone not qualified to hold it. We estimate that the total respondent/recordkeepers will be 40 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 80 hours.

Reg. 1.860F-4(e).

Section 1.860F-4(e) provides that a REMIC must report to each residual interest holder at the end of each calendar quarter: the holder's share of the taxable income or net loss; the holder's share of any excess inclusion; the holder's share of allocable investment expenses; information related to the composition of the REMIC's assets; and any other information required by Schedule Q (Form 1066). The burden estimate is reflected in Form 1066.

Reg. 1.871-3.

Section 1.871-3 provides that a seaman may establish residence by filing Form 1078 (certificate) or taking out first citizenship papers, unless residence is rebutted by other evidence showing an intention to be transient. Section 1.871-6(b) provides that a withholding agent may rely on Form 1078 or equivalent written statement provided by the recipient of income to treat the recipient as a resident. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 25 hours.

Reg. 1.874-1(a).

Section 1.874-1(a) provides that a nonresident alien individual may receive the benefit of a deduction for personal exemptions by filing a claim for the exemptions with the withholding agent. We estimate that the total respondent/recordkeepers will be 500,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 500,000 hours.

Reg. 1.884-5(b)(3).

Section 1.884-5(b)(3) provides that in order for a foreign corporation to meet the stock ownership test for purposes of obtaining treaty benefits under the branch profits tax provisions of section 884, certain of its shareholders may be required to provide ownership statements, certificates of residency, and other information in order to document the corporation's eligibility under the test. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 2,000 hours.

Reg. 1.897-2(b), (c), (g) and (h).

Section 1.897-2(b), (c), (g) and (h) require a domestic corporation to periodically determine whether it is a U.S. real property holding corporation and to provide a shareholder a statement that the corporation is or is not a U.S. real property holding corporation. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent /recordkeeper will be 5 hours, and thus the total burden will be 5,000 hours.

Reg. 1.897-3(c)(4).

Section 1.897-3(c)(4) provides that in order for a foreign corporation to make an election under section 897(i), persons owning interests in the foreign corporation must file a waiver of treaty benefits and a consent to the election with the corporation, and the corporation will note the election on any stock certificate. Such waiver and consent must be retained by the corporation. We estimate that the total respondent/recordkeepers will be 12 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 12 hours.

Reg. 1.936-10(c)(11)(i).

Section 1.936-10(c)(11)(i) requires the ultimate recipient in a CBI country to certify to the qualified financial institution in Puerto Rico (or to the financial intermediary if one is

involved in the transaction) on the date the loan is closed and on each anniversary of this date that it is a qualified recipient within the meaning of section 1.936-10(c)(9). We estimate that the total respondent/recordkeepers will be 50 per year and the time per respondent/recordkeeper will be $\frac{3}{4}$ hour, and thus the total burden will be 37 $\frac{1}{2}$ hour.

Reg. 1.936-10(c)(11)(ii).

Section 1.936-10(c)(11)(ii) requires the intermediary, in the case of a loan involving a financial intermediary, to submit annually its own certification, and a copy of the ultimate recipient's certification, to the qualified financial institution in Puerto Rico. In its certification, the financial intermediary must state that it satisfies the requirements under section 1.936-10(c)(8)(iv)(H). We estimate that the total respondent/recordkeepers will be 50 per year and the time per respondent/recordkeeper will be 1 hours, and thus the total burden will be 50 hours.

Reg. 1.936-10(c)(12).

Section 1.936-10(c)(12) requires the ultimate recipient of a loan and the qualified financial institution to submit a certification to the Commissioner of Financial Institutions of Puerto Rico no later than prior to the first disbursement of loan proceeds to the ultimate recipient. The recipient must certify that the loan proceeds will be promptly used to acquire active business assets or to make other authorized expenditures. The financial institution's certification must state that it has satisfied the requirements of section 1.936-10(c)(11), describe the terms of the loan, agree to examination of its books and records by the IRS and the Commissioner of Financial Institutions, and provide additional information if it is a single-purpose entity described in section 1.936-10(c)(3)(iii). We estimate that the total respondent/recordkeepers will be 50 per year and the time per respondent/recordkeeper will be 1 $\frac{1}{4}$ hours, and thus the total burden will be 62 $\frac{1}{2}$ hours.

Reg. 1.936-10(c)(13)(i).

Section 1.936-10(c)(13)(i) requires the ultimate recipient of a loan to submit annually to the financial institution, or to the financial intermediary if one is involved in the loan transaction, a financial statement disclosing the balance of the loan, the use that has been made of the loan proceeds, and a statement that there is no reason to doubt that the proceeds have been and will be properly used. We estimate that the total respondent/recordkeepers will be 50 per year and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 50 hours.

Reg. 1.936-10(c)(13)(ii).

Section 1.936-10(c)(13)(ii) requires a qualified financial institution to notify the Commissioner of Financial Institutions of Puerto Rico when a loan becomes disqualified. We estimate that the total respondent/recordkeepers will be 50 per year and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 25 hours.

Reg. 1.936-10(c)(13)(iii)(B).

Section 1.936-10(c)(13)(iii)(B) requires a financial intermediary to forward annually a copy of the documents that it is required to maintain under section 1.936-10(c)(13)(iii) and to notify the Commissioner of Financial Institutions of Puerto Rico upon becoming aware that a loan has become disqualified. We estimate that the total respondent/recordkeepers will be 50 per year and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 50 hours.

Reg. 1.964-1(c)(3)(iii).

Section 1.964-1(c)(3)(iii) provides that controlling U.S. shareholders of controlled foreign corporations (CFCs) must notify minority shareholders when they make tax accounting elections on behalf of the CFC, because such elections affect the computation of earnings and profits and thus the taxability of distributions to the minority shareholders. We estimate that the total number of respondent/recordkeepers will be 3,354 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 3,354 hours.

Reg. 1.985-2(c)(2)(ii).

Section 1.985-2(c)(2)(ii) requires that prior to making an election to use the dollar as its functional currency, controlling U.S. shareholders of a controlled foreign corporation (CFC) must notify all other shareholders of the CFC of the election. We estimate that the total number of respondent/recordkeepers will be 500 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 500 hours.

Reg. 1.1014-4(c).

Section 1.1014-4(c) provides that the executor or legal representative of the decedent, fiduciary of a trust under a will, life tenant and every other person to whom a basis under section 1014 would apply, must maintain records showing in detail all deductions, distributions or other items that would affect the basis of the property. This information must be furnished to the district director as required. We estimate that the total respondent/recordkeepers will be 73,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 36,500 hours.

Reg. 1.1015-1(a)(3).

Section 1.1015-1(a)(3) provides that if the facts necessary to determine the basis of property by gift are unknown to the donee, the district director shall obtain such facts from such donor or last preceding owner, or any other person cognizant thereof. We estimate that the total respondent/recordkeepers will be 500 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 250 hours.

Reg. 1.1015-1(g).

Section 1.1015-1(g) provides that persons making or receiving gifts of property should preserve and keep accessible a record of the facts necessary to determine the cost of the property and, if pertinent, its fair market value as of the date of the gift. We estimate that the total respondent/recordkeepers will be 147,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 73,500 hours.

Reg. 1.1041-1T.

Section 1.1041-1T, Q&A-14 provides that the transferor of property between spouses or incident to divorce must, at the time of the transfer, supply the transferee with records sufficient to determine the adjusted basis and holding period of the property as of the date of the transfer. We estimate that the total number of respondents will be 5,000,000 and the time per respondent will be 5 minutes, and thus the total burden will be 416,667 hours.

Reg. 1.1042-1T, A-2(4).

Section 1.1042-1T, A-2(4) requires that, in order to qualify for nonrecognition treatment under §1042, the taxpayer must obtain and file with the Secretary a verified written statement of the domestic corporation whose employees are covered by the plan acquiring the qualified securities consenting to the application of §4978(a). We estimate that the total respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 200 hours.

Reg. 1.1092(b)-3T(d)(2) and (4).

Section 1.1092(b)-3T(d)(2) and (4) provide that a taxpayer will be presumed to have made a timely identification of a mixed straddle if the taxpayer receives certain written information from third parties, such as brokers, that includes the date on which the straddle was established and identification of all of the positions of the straddle. We estimate that the number of respondent/recordkeepers under this section will 10,000 and that the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 10,000 hours.

Reg. 1.1254-5(d)(2).

Section 1.1254-5(d)(2) allows a partnership to determine the aggregate of its partners' section 1254 costs with respect to natural resource recapture property held by the partnership using written data provided by the partners. We estimate that there will be approximately 100 respondents per year and that it will take each respondent approximately 5 hours to collect the information required in section 1.1254-5(d)(2). Thus, the total estimated annual reporting burden under section 1.1254-5(d)(2) is 500 hours.

Reg. 1.1275-2(e).

Section 1.1275-2(e) provides that in a case in which the regulations under section 163(e)

or sections 1271 through 1275 provide that the issuer's determination of an item controls the holder's treatment of the item, the issuer must provide the relevant information to the holder in a reasonable manner. For example, the issuer may provide the name or title and either the address or telephone number of a representative of the issuer who will make available to holders upon request the information required. The following regulations cross-reference section 1.1275-2(e) and are covered by the burden estimate for section 1.1275-2(e): (i) section 1.163-7(d) (accrual periods used to determine whether a debt instrument is an applicable high yield discount obligation); (ii) section 1.1272-3(h)(2) (the allocation of the issue price of an investment unit to its components); (iii) section 1.1273-4(d) (whether a debt instrument is issued in a potentially abusive situation, and (iv) section 1.1274-5(b)(4)(iv) (projected payment schedule for a contingent payment debt instrument subject to the noncontingent bond method). We estimate that the total respondent/recordkeepers will be 100,000 and the time per respondent/recordkeeper will be $\frac{3}{4}$ hour, and thus the total burden will be 75,000 hours.

Reg. 1.1362-1(a).

Section 1.1362-1(a) provides that a corporation making an election to be an S corporation must receive the consent of each of its shareholders at the time of the election. Section 1.1362-6(b) provides that consent must be in the form of a written statement from the shareholder (or person required to consent on the shareholder's behalf) setting forth specified information, and be signed under penalty of perjury. We estimate that the total respondents /recordkeepers per year will be 300,000 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total annual burden will be 75,000 hours.

Reg. 1.1362-2(a)(1).

Section 1.1362-2(a)(1) provides that a corporation revoking its election to be an S corporation must receive the consent of shareholders who, at the time the revocation is made, hold more than one-half of the number of issued and outstanding shares of stock of the corporation. Section 1.1362-6(b) provides that consent must be in the form of a written statement from the shareholder (or person required to consent on the shareholder's behalf) setting forth specified information, and be signed under penalty of perjury. We estimate that the total respondents/recordkeepers per year will be 10,000 and the time per respondent /recordkeeper will be $\frac{1}{4}$ hour, and thus the total annual burden will be 2,500 hours.

Reg. 1.1362-2(a)(4).

Section 1.1362-2(a)(4) provides that to rescind a revocation of its election to be an S corporation, the corporation must receive the consent of each person who consented to the revocation, and each person who became a shareholder within the period beginning on the first day after the date the revocation was made and ending on the date on which the rescission is made. Section 1.1362-6(b) provides that consent must be in the form of a written statement from the shareholder (or person required to consent on the shareholder's behalf) setting forth specified information, and be signed under penalty of perjury. We estimate that the total respondents/recordkeepers per year will be 300 and

the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 75 hours.

Reg. 1.1362-3(b)(1).

Section 1362-2(b)(1) provides that a corporation electing to allocate its S termination year income on the basis of its normal tax accounting method rather than pro rata must receive the consent of each person who is a shareholder in the corporation at any time during the S short year and of each person who is a shareholder in the corporation on the first day of the C short year. Section 1.1362-6(b) provides that consent must be in the form of a written statement from the shareholder (or person required to consent on the shareholder's behalf) setting forth specified information, and be signed under penalty of perjury. We estimate that the total respondents/recordkeepers per year will be 15,000 and the time per respondent/ recordkeeper will be ¼ hour, and thus the total annual burden will be 3,750 hours.

Reg. 1.1362-4(e).

Section 1.1362-4(e) provides that an S corporation seeking inadvertent termination relief must obtain written consent from its shareholders to any adjustments that the Commissioner may require, and describes the content of a consent. This provision cross-references section 1.1362-6(b) concerning persons who must consent. We estimate that the total respondents/recordkeepers per year will be 180 and the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 45 hours.

Reg. 1.1368-1(f)(5)(i).

Section 1.1368-1(f)(5)(i) provides that an S corporation making an election to distribute earnings and profits must receive the consent of its affected shareholders. Section 1.1368-1(f)(5)(iii) provides that the corporation's election statement must state that each affected shareholder consents, and be signed under penalties of perjury. We estimate that the total respondents/recordkeepers per year will be 10,400 and the time per respondent/recordkeeper will be .25 hour, and thus the total annual burden will be 2,600 hours.

Reg. 1.1368-1(f)(5)(ii).

Section 1.1368-1(f)(5)(ii) provides that an S corporation making the election provided in section 1.1368-1(f)(4) to forego previously taxed income, or making the election provided in section 1.1368(f)(3) to make a deemed dividend must receive the consent of all affected shareholders. Section 1.1368-1(f)(5)(iii) provides that the corporation's election statement must state that each affected shareholder consents, and be signed under penalties of perjury. We estimate that the total respondents/recordkeepers per year will be 26,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 6,500 hours.

Reg. 1.1368-1(g)(2).

Section 1.1368-1(g)(2) provides that an S corporation making an election to treat its

taxable year as if it consisted of separate taxable years in the case of a qualifying disposition must receive the consent of each of its shareholders who held stock in the corporation during the taxable year. We estimate that the total respondents/recordkeepers per year will be 4,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 1,000 hours.

Reg. 18.1371-1 (temporary).

Section 18.1371-1 (temporary) provides that a corporation making an election to treat distributions of money made during the post-termination transition period as coming out of the corporation's earnings and profits must receive the consent of each shareholder to whom the corporation makes a distribution during the post-termination transition period. We estimate that the total respondents/recordkeepers per year will be 1,500 and the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 375 hours.

Reg. 18.1377-1 (temporary).

Section 18.1377-1 (temporary) provides that a corporation making an election to treat its taxable year as if it consisted of separate taxable years in the case of a termination of a shareholder's entire interest must receive the consent of all persons who are or were shareholders in the corporation at any time during the taxable year. We estimate that the total respondents/recordkeepers per year will be 4,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 1,000 hours.

Reg. 1.1377-1(b)(1).

Section 1.1377-1(b)(1) provides that a corporation making an election to treat its taxable year as if it consisted of separate taxable years in the case of a termination of a shareholder's entire interest must receive the consent of all affected shareholders. We estimate that the total respondents/recordkeepers per year will be 4,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 1,000 hours.

Reg. 1.1382-2(b).

Section 1.1382-2(b) provides that cooperative associations can deduct amounts from gross income as dividends only to the extent that the amounts are paid in money, qualified written notices of allocations or other property. A written notice of allocation is considered paid when issued to the patron. We estimate that the total respondent/recordkeepers will be 30,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 30,000 hours.

Reg. 1.1382-3(b).

Section 1.1382-3(b) provides that cooperative associations can deduct from gross income dividends paid during the taxable year on capital stock. The deductible amount is limited to the amount of the dividend actually or constructively paid to a holder of capital stock or other proprietary interest. The regulation permits the payment of dividends by check.

Burden estimate included in estimate for section 1.1382-2(b).

Reg. 1.1382-3(c).

Section 1.1382-3(c) provides that cooperative associations can deduct from gross income certain amounts paid to patrons from nonpatronage source income. For amounts paid by check to be deductible, checks must be endorsed and cashed within 90 days after the close of the payment period. Burden estimate included in estimate for section 1.1382-2(b).

Reg. 1.1398-1(f)(2)(v).

Section 1.1398-1(f)(2)(v) provides, for a title 11 case commencing before November 9, 1992, that an election to have the passive activity rules of section 1.1398 apply is made in a chapter 7 case by obtaining the written consent of the trustee, and filing a copy with the returns of the debtor and the estate, and in a chapter 11 case by incorporating that election into a bankruptcy plan that is confirmed by the bankruptcy court or into an order of such court and

filing the pertinent portion of the plan or order with the returns of the debtor and the estate. We estimate that the total number of respondents will be 3,500 and the time per respondent will be 5 minutes, and thus the total burden will be 292 hours.

Reg. 1.1398-2(f)(2)(v).

Section 1.1398-2(f)(2)(v) provides, for a title 11 case commencing before November 9, 1992, that an election to have the rules for section 465 losses of section 1.1398 apply is made in a chapter 7 case by obtaining the written consent of the trustee, and filing a copy with the returns of the debtor and the estate, and in a chapter 11 case by incorporating that election into a bankruptcy plan or into an order of such court and filing the pertinent portion of the plan or order with the returns of the debtor and the estate. We estimate that the total number of respondents will be 4,225 and the time per respondent will be 5 minutes, and thus the total burden will be 352 hours.

Reg. 1.1402(a)-1 and -2.

Section 1.1402(a)-1 and -2 provides that in order for an individual to calculate net earnings from self-employment the individual must have appropriate records. In the case of a partner in a partnership, the partner must receive a Schedule K-1 from the partnership. The burden is reflected in Form 1065.

Reg. 1.1402(a)-4.

Section 1.1402(a)-4 provides that farm rental income is treated as net earnings from self-employment if certain requirements are met, including the requirement that the income is derived under either an oral or written arrangement between the owner or tenant and another person. It also requires farmers who have farm rental income that is treated as self-employment income to file Form 4835. The burden is reflected in Form 4835.

Reg. 1.1402(a)-11.

Section 1.1402(a)-11 provides that ministers subject to self-employment tax must include the rental value of a parsonage, the amount of any parsonage allowance, and the value of any meals furnished in the computation of net earnings from self employment (even if these amounts are excluded from gross income by Code section 107 or 119). These figures must generally be provided to the minister by the church. The estimated time for each church to provide this information to the ministers is ¼ hour. The estimated number of ministers is 200,000. The total estimated burden is 50,000 hours.

Reg.1.1402(a)-17.

Section 1.1402(a)-17 provides that retirement payments to retired partners are excluded from net earnings from self-employment if they are paid pursuant to a specified plan. Thus, the exclusion is only available if the partnership has specifically adopted a plan. The partnership must provide the partner with the requisite information. There is no specific IRS form. The estimated time to prepare the statement is 10 minutes. The estimated number of retired partners who receive such payments is 2,000,000. The total estimated burden on partnerships is 333,333 hours.

Reg. 1.1402(e)-5A(b)(1)(ii).

Section 1.1402(e)-5A(b)(1)(ii) provides that an individual filing for exemption under §1402(e) as a minister or member of religious order must include with the application a statement that the individual making application for exemption has informed the ordaining, commissioning, or licensing body of the church or order that he or she is opposed to the acceptance of any public insurance that makes certain types of benefit payments. The estimated time required to provide this information is 2 minutes. The estimated number of ministers is 200,000. The total estimated burden on ministers is 6,667 hours.

Reg. 1.1402(h)-1.

Section 1.1402(h)-1 provides that the application for the exemption provided under §1402(g) for members of certain religious groups must be filed on Form 4029. Form 4029 requires that an authorized representative of the religious group sign the form and certify that the individual is a member of the group. The burden is reflected on Form 4029.

Reg. 1.1441-3(b)(3).

Section 1.1441-3(b)(3) provides that a shareholder whose address changes from a place outside the United States to a place within the United States must furnish a withholding agent with (i) proof that the person is a citizen or resident, in the case of an individual, or (ii) proof that the person is a domestic partnership or corporation. We estimate that the total respondent/ recordkeepers will be 10,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 5,000 hours.

Reg. 1.1441-3(d)(2).

Section 1.1441-3(d)(2) provides that a foreign person may give a withholding agent a

statement of the amount of gain recognized on certain transactions subject to withholding. We estimate that the total respondent/recordkeepers will be 25,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 12,500 hours.

Reg. 1.1441-4(a)(2).

Section 1.1441-4(a)(2) provides that to obtain an exemption from withholding, a foreign person must provide a statement to a withholding agent declaring that the income is effectively connected with a U.S. trade or business. The statement must be provided annually. We estimate that the total respondent/recordkeepers will be 200,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 50,000 hours.

Reg. 1.1441-4(a)(2).

Section 1.1441-4(a)(2) provides that a prior statement given to a withholding agent that income is effectively connected with a U.S. trade or business must be amended by a foreign person entitled to the income if subsequent circumstances arise during a taxable year indicating that the income is not effectively connected. We estimate that the total respondent/recordkeepers will be 2,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 500 hours.

Reg. 1.1441-4(b)(2)(i).

Section 1.1441-4(b)(2) provides that a nonresident alien individual claiming a treaty or Code exemption from withholding on compensation for personal services that is effectively connected with a U.S. trade or business must file a statement claiming the exemption with each withholding agent paying compensation. The statement must be made annually. We estimate that the total respondent/recordkeepers will be 500,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 250,000 hours.

Reg. 1.1441-4(b)(2)(ii).

Section 1.1441-4(b)(2)(ii) provides that a nonresident alien individual may use Form 8233 to claim a personal exemption amount. The form may also be used to claim a treaty exemption from withholding on compensation for personal services under section 1.1441-4(b)(2)(i). The burden is reflected on Form 8233.

Reg. 1.1441-4(b)(2)(iii).

Section 1.1441-4(b)(2)(iii) provides that a withholding agent that receives a statement claiming an exemption from withholding for personal services must examine the statement. The withholding agent must certify that it believes the exemption is warranted. We estimate that the total respondent/recordkeepers will be 500,000 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 125,000 hours.

Reg. 1.1441-4(b)(2)(iv).

Section 1.1441-4(b)(2)(iv) provides that a withholding agent must retain a copy of the statement claiming an exemption from withholding. We estimate that the total respondent/ recordkeepers will be 500,000 and the time per respondent recordkeeper will be 6 minutes, and thus the total burden will be 50,000 hours.

Reg. 1.1441-4(b)(3).

Section 1.1441-4(b)(3) provides that an alien individual who is engaged in a trade or business during a taxable year may be wholly or partially exempted from withholding if a withholding agreement is reached with the Internal Revenue Service. The Service may require third party reporting or record keeping pursuant to the agreement. We estimate that the total respondent/recordkeepers will be 300 and the time per respondent recordkeeper will be 10 hour, and thus the total burden will be 3,000 hours.

Reg. 1.1441-4(b)(4)(i).

Section 1.1441-4(b)(4)(i) provides that a nonresident alien may claim an exemption from withholding on compensation (other than wages) from personal services that is effectively connected with a U.S. trade or business by presenting the withholding agent a letter from a district director stating the amount of compensation that can be paid to the alien individual pursuant to the exemption. We estimate that the total respondent/recordkeepers will be 300 and the time per respondent/recordkeeper will be 5 hours, and thus the total burden will be 1,500 hours.

Reg. 1.1441-4(b)(4)(iii).

Section 1.1441-4(b)(4)(iii) provides that to obtain a final payment exemption described in Treas. Reg. 1.1441-4(b)(4)(i), the nonresident alien individual must obtain from each withholding agent a statement of the amount of effectively connected compensation paid to the alien individual and the amount of tax withheld. We estimate that the total respondent/ recordkeepers will be 300 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 75 hours.

Reg. 1.1441-4(b)(4)(iii).

Section 1.1441-4(b)(4)(iii) provides that to obtain a final payment exemption, a nonresident alien must obtain a statement from the withholding agent from whom the final compensation payment will be received setting forth the amount of the final payment and the amount of withholding that would apply in absence of the exemption. We estimate that the total respondent/recordkeepers will be 300 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 75 hours.

Reg. 1.1441-4(d)(2).

Section 1.1441-4(d)(2) applies only to payments made before June 23, 1981. A payee may avoid withholding of tax on income if the payee notifies the withholding agent by letter that he expects to satisfy his income tax obligations under section 28(a) of the Revised Organic Act of the Virgin Islands. We estimate that the total number of respondent/recordkeepers is 250 and the total time per respondent/recordkeeper is $\frac{1}{2}$

hour. The total burden is 125 hours.

Reg. 1.1441-4(f)(2)(ii).

Section 1.1441-4(f)(2)(ii) provides that a foreign partnership or foreign corporation may avoid withholding by providing a withholding agent with a letter from a district director that withholding would impose an undue administrative burden. We estimate that the total respondent/recordkeepers will be 10 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 100 hours.

Reg. 1.1441-4(i).

Section 1.1441-4(i) provides that a foreign central bank of issue or the Bank of International Settlements may avoid withholding by providing a withholding agent with a certification as to its status and that the income is not related to a commercial activity. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/recordkeeper will be $\frac{1}{2}$ hour, and thus the total burden will be 25 hours.

Reg. 1.1441-5(a).

Section 1.1441-5(a) provides that an individual may prevent withholding on income by presenting a statement to a withholding agent that he is a citizen or resident. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 25 hours.

Reg. 1.1441-5(b).

Section 1.1441-5(b) provides that a partnership or corporation may prevent withholding on income by presenting a statement to a withholding agent that it is a domestic partnership or corporation. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 25 hours.

Reg. 1.1441-6(b).

Section 1.1441-6(b) provides that to secure a reduced rate or exemption from withholding on coupon bond interest under a treaty, the recipient must file Form 1001 for each bond issue with the withholding agent when presenting the interest coupons for payments. The burden is reflected on Form 1001.

Reg. 1.1441-6(b).

Section 1.1441-6(b) provides that a withholding agent that receives Form 1001 in connection with coupon bond interest must retain the form for 4 years. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 100 hours.

Reg. 1.1441-6(c)(1).

Section 1.1441-6(c)(1) provides that to secure a reduced rate or exemption from withholding on income other than coupon bond interest and dividends, the recipient must provide the withholding agent with Form 1001. The burden is reflected on Form 1001.

Reg. 1.1441-6(c)(1).

Section 1.1441-6(c)(1) provides that a recipient of income must notify a withholding agent if, after filing Form 1001, the owner ceases to qualify for the reduced rate or exemption from tax. We estimate that the total respondent/recordkeepers will be 250 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 250 hours.

Reg. 1.1441-6(c)(2).

Section 1.1441-6(c)(2) provides that a withholding agent must retain Form 1001 for 4 years. The burden estimate is reflected on Form 1001.

Reg. 1.1441-8T(b).

Section 1.1441-8T(b) provides that to avoid withholding of tax at the source under § 1.1441-1, a foreign government which is entitled to income must file with each withholding agent from whom amounts of income are to be received, a statement under penalties of perjury indicating the extent to which such income described in the statement is exempt from taxation under section 892 of the Code. The required information to be included in the statement consists of (i) the items of income and their amount with respect of which the statement is filed, (ii) an explanation indicating why the specific items of income are exempt from taxation under section 892, and (iii) the taxable year during which such exemption is to apply. A completed Form 8709 may be substituted for the written statement. The burden is reflected on Form 8709.

Reg. 1.1443-1(b)(2).

Section 1.1443-1(b)(2) provides that a withholding agent must provide a copy of Form 1042S to a foreign private foundation showing the amount of tax withheld. We estimate that the total respondent/recordkeepers will be 1,500,000 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 750,000 hours.

Reg. 1.1443-1(b)(4).

Section 1.1443-1(b)(4) provides that a withholding agent may rely on a good faith determination that an organization qualifies as a foreign private foundation based on affidavits or an opinion of counsel that the organization is described in sec. 509. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 3,000 hours.

Reg. 1.1445-1(c)(2).

Section 1.1445-1(c)(2) provides that the money withheld under section 1445 does not have to be paid over to the Service if the transferee is advised that a timely application for a withholding certificate is pending. We estimate that the total respondent/recordkeepers will be 4,000 and the time per respondent/recordkeepers will be ½ hour, and thus the total burden will be 2,000 hours.

Reg. 1.1445-1(f)(3)(iv).

Section 1.1445-1(f)(3)(iv) provides that joint foreign transferors may request transferees to credit a specific portion of the tax withheld between or among the transferors on Form 8288-A. Such information will be reflected on the Form 8288-A. The burden is reflected on Form 8288-A.

Reg. 1.1445-2(b), 1.1445-5(b)(3)(ii), (c)(2) and (e)(2)(iii), 1.1445-7(b) and 1.1445-8(e). Sections 1.1445-2(b), 1.1445-5(b)(3)(ii), (c)(2) and (e)(2)(iii), 1.1445-7(b) and 1.1445-8(e) provide that to avoid withholding of U.S. tax on the disposition of a U.S. real property interest, the transferor or foreign person may give the transferee or entity a certificate of non-foreign status. Such certificate is not given to the I.R.S. We estimate that the total respondent/recordkeepers will be 6,000,000 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 1,500,000 hours.

Reg. 1.1445-2(c)(3), and 1.1445-5(b)(4)(iii), (c)(2)(iii) and (d)(2)(i). Sections 1.1445-2(c)(3), and 1.1445-5(b)(4)(iii), (c)(2)(iii) and (d)(2)(i) provide that to avoid withholding of U.S. tax on the disposition of the stock of a U.S. corporation, the transferor may give the transferee a copy of a statement issued by the corporation that it is not a U.S. real property holding corporation. Such statement must be given to the I.R.S. by the corporation. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 250 hours.

Reg. 1.1445-2(d)(2), 1.1445-5(b)(2), (c)(2)(v) and (e)(2)(ii), 1.1445-9T and 1.1445-10T. Sections 1.1445-2(d)(2), 1.1445-5(b)(2), (c)(2)(v) and (e)(2)(ii), 1.1445-9T and 1.1445-10T provide that to avoid withholding of U.S. tax on the disposition or distribution of a U.S. real property interest, the transferor or foreign person may give the transferee or entity a notice of nonrecognition. Such notice must also be given to the I.R.S. We estimate that the total respondent/recordkeepers will be 1,200 and the time per respondent/recordkeeper will be $\frac{1}{2}$ hour, and thus the total burden will be 600 hours.

Reg. 1.1445-2(d)(3).

Section 1.1445-2(d)(3) provides that to avoid withholding of U.S. tax on the foreclosure of a U.S. real property interest (or a transfer under a deed in lieu of foreclosure), a transferee may provide a notice to the court, trustee or transferee. We estimate that the total respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 2,000 hours.

Reg. 1.1445-2(d)(7), 1.1445-5(c)(2)(iv), (d)(2)(ii) and (e)(2)(iv), and 1.1445-10T. Sections 1.1445-2(d)(7), 1.1445-5(c)(2)(iv), (d)(2)(ii) and (e)(2)(iv), and 1.1445-10T provide that to avoid withholding of U.S. tax on the transfer of a U.S. real property interest, the transferor may give the transferee a copy of a withholding certificate issued by the I.R.S. We estimate that the total respondent/recordkeepers will be 7,500 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 1,875 hours.

Reg. 1.1445-4(a) and (b).

Section 1.1445-4(a) and (b) provides that in order to avoid liability a transferee of a U.S. real property interest or the transferor's or transferee's agent must provide written notice to an entity, fiduciary or transferee if a false statement or certification is received. We estimate that the total respondent/recordkeepers will be 10 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 10 hours.

Reg. 1.1445-8(b)(3).

Section 1.1445-8(b)(3) provides that to avoid withholding on certain distributions, a REIT may withhold a lesser amount if a qualified notice under section 1.1445-8(f) is provided to the nominee. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 100 hours.

Reg. 1.1445-10T.

Section 1.1445-10T provides that to avoid withholding of a U.S. tax on the disposition of a U.S. real property interest, a foreign government must provide a notice of nonrecognition or a withholding certificate to the transferee. Such notice must also be provided to the I.R.S. We estimate that the total respondent/recordkeepers will be 10 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 30 hours.

Reg. 1.1445-11T(d)(2).

Section 1.1445-11T(d)(2) provides that to avoid withholding of a U.S. tax on the disposition of a partnership interest that the partnership may provide a statement to the transferor and transferee that it is not a partnership the disposition of an interest in which is subject to withholding. We estimate that the total respondent/recordkeepers will be 2,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 2,000 hours.

Reg. 1.1461-1(a).

Section 1.1461-1(a) provides that U.S. citizens, U.S. residents, U.S. fiduciaries, U.S. partnerships, and foreign partnerships all the members of which are citizens and residents must file ownership certificates for each issue of tax-free covenant bonds issued before January 31, 1934. We estimate that the total respondent/recordkeepers will be 10 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be $2\frac{1}{2}$ hour.

Reg. 1.1461-1(b)(2).

Section 1.1461-1(b)(2) provides that nonresident alien individuals, foreign partnerships, foreign corporations, and unknown owners must file ownership certificates when being paid interest on governmental obligations. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 250 hours.

Reg. 1.1461-1(c).

Section 1.1461-1(c) provides that ownership certificates are required in the case of interest paid on overdue coupon bonds, the interest coupons of which have been exhausted, in the same manner as if the interest coupons were presented for collection. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 25 hours.

Reg. 1.1461-1(f)(1).

Section 1.1461-1(f)(1) provides that if interest coupons are detached from corporate bonds or U.S. obligations and are unaccompanied by ownership certificates, the first bank to which the coupons are presented for payment must obtain a statement from the payee showing the name and address of the person from whom the coupons were received and alleging that the owner of the bonds is unknown. We estimate that the total respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 50 hours.

Reg. 1.1461-1(f)(2).

Section 1.1461-1(f)(2) provides that a payee of a detached interest coupon that is unaccompanied by an ownership certificate must also provide a Form 1001. The burden is reflected on Form 1001.

Reg. 1.1461-1(g).

Section 1.1461-1(g) provides that ownership certificates on Form 1000 (or Form 1001 for payments prior to January 1, 1972) are required for interest payments on noncoupon bonds. If the certificate is not furnished by the owner of the bond, a certificate should be prepared by the withholding agent. We estimate that the total respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be ¼ hour, and thus the total burden will be 50 hours.

Reg. 1.1461-1(j).

Section 1.1461-1(j) provides that fiduciaries of more than one estate or trust must execute a separate ownership certificate with respect to bonds or other securities for each estate or trust. We estimate that the total respondent/recordkeepers will be 500 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 250 hours.

Reg. 1.1461-2(c)(3)(ii).

Section 1.1461-2(c)(3)(ii) provides that a withholding agent must furnish a copy of Form 1042S to the payee indicated on the form. The burden estimate is reflected on Form 1042S.

Reg. 1.1461-2(c)(3)(ii).

Section 1.1461-2(c)(3)(ii) provides that a withholding agent must retain a copy of Form 1042S with respect to each payee. We estimate that the total respondent/recordkeepers will be 1,500,000 and the time per respondent/recordkeeper for retaining the form will be

1 minute, and thus the total burden will be 25,000 hours. The remaining burden is reflected on Form 1042S.

Reg. 1.1502-5(a)(1).

Section 1.1502-5(a)(1) provides that when the common parent of a consolidated group deposits consolidated payments of income tax with an authorized commercial depository or Federal Reserve Bank, a statement should be attached to the payment setting forth the name, address, employer identification number, and Internal Revenue Service Center of each member of the consolidated group. We estimate that the total respondent/recordkeepers will be 74,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 74,000 hours.

Reg. 1.1502-20(g)(5).

Section 1.1502-20(g)(5) provides that if stock of a subsidiary member of a consolidated group is disposed of, the common parent can, in certain circumstances, elect to attribute the subsidiary's net operating loss carryovers to itself. If the subsidiary ceases to be a member of the group and becomes a member of another consolidated group, a copy of the election statement must be delivered to the common parent of the acquiring group. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be 2 hours and thus the total burden will be 2,000 hours.

Reg. 1.1502-95T(e)(3).

Section 1.1502-95T(e)(3) provides that a common parent's election to apportion some or all of the consolidated group's section 382 limitation to a departing member is made by filing a statement with the group's consolidated income tax return for the year that the member departs. The common parent must furnish a copy of the election statement to the departing member on or before the day the group files that income tax return. We estimate that the total respondent/recordkeepers will be 1,420 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 355 hours.

Reg. 20.2011-1(c)(2).

Section 20.2011-1(c)(2) provides that before a state death tax credit is allowed, the district director may require the submission of a certificate from the proper officer of the taxing state, territory, or possession, or District of Columbia, showing the total amount of tax imposed, the amount of any discount, penalties, the amount actually paid, and the date of payments. We estimate that the total respondent/recordkeepers will be 73,000 and the time per respondent/recordkeeper will be $\frac{1}{2}$ hour, and thus the total burden will be 36,500 hours.

Reg. 20.2014-5.

Section 20.2014-5 provides that before a foreign death tax credit is allowed, satisfactory evidence, such as a statement by an authorized official of each country or possession (or political subdivision thereof) imposing the tax, must be submitted. We estimate that the total respondent/recordkeepers will be 1,460 and the time per respondent/recordkeeper

will be 1 hour, and thus the total burden will be 1,460 hours.

Reg. 20.2032A-4(a).

Section 20.2032A-4(a) provides that in determining the special use value of farm property under the method provided in section 2032A(e)(7), the executor must identify to the Internal Revenue Service actual cash rentals on property comparable to the specially valued property. The executor must contact third parties to obtain the information. We estimate that the total respondent/recordkeepers will be 1,500 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 15,000 hours.

Reg. 20.2032A-8(a)(1).

Section 20.2032A-8(a)(1) provides that for purposes of determining the fair market value of farm property subject to special use valuation, the executor must furnish written appraisals of the real property. These appraisals would generally be prepared by third parties. We estimate that the total respondent/recordkeepers will be 1,500 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 1,500 hours.

Reg. 20.2032A-8(c).

Section 20.2032A-8(c) provides that the agreement required under sections 2032(A)(a) (1)(B) and (d)(2) for special use valuation must be executed by all parties (including third parties) who have any interest in the property subject to special use valuation. The agreement must be in a form that is binding on all parties having an interest in the property. It must designate an agent (third party) with satisfactory evidence of authority to act for the parties to the agreement in all dealings with the Service. We estimate that the total respondent/recordkeepers will be 1,500 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 1,500 hours.

Reg. 20.2044-1(c).

Section 20.2044-1(c) provides that in order to avoid inclusion in the gross estate of property in which the decedent-spouse possesses a qualifying income interest for life, the executor of the spouse's estate must establish that a deduction under section 2056(b)(7) was not allowed in the estate of the first spouse to die for the property. The executor may use a copy of the estate or gift tax return filed by the estate of the first spouse to die to establish that a deduction was not claimed or allowed. We estimate that the total respondent/recordkeepers will be 1,800 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 1,800 hours.

Reg. 20.2056A-2(d)(1)(B)).

Section 20.2056A-2(d)(1)(B) provides that if a Qualified Domestic Trust (QDOT) is in excess of \$2 million, the United States Trustee must furnish a bond or security in an amount equal to 65 percent of the fair market value of the trust corpus determined as of the date of the decedent's death. The bond or security is to be made on the appropriate form and with satisfactory surety, as prescribed under section 7101 and section 301.7101-1 of the Procedure and Administration Regulations. We estimate that the total respondent/recordkeepers will be 1000 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 2,000 hours.

Reg. 20.2056A-4(a).

Section 20.2056A-4(a) provides that if property passes from the decedent to a trust for the benefit of a noncitizen surviving spouse and if the trust otherwise qualifies for a marital deduction but for the provisions of section 2056(d)(1)(A), the property will be treated as passing to the surviving spouse in a QDOT if the trust is reformed, either in accordance with the terms of the trust agreement, or pursuant to a judicial proceeding. Any judicial reformation must be commenced on or before the due date for filing the estate tax return. We estimate that the total respondent/recordkeepers will be 750 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 2,250 hours.

Reg. 25.2518-2(a)(3) and 25.2518-2(b)(2).

Section 25.2518-2(a)(3) and section 25.2518-2(b)(2) of the Gift Tax Regulations provide that in order to be a qualified disclaimer, the disclaimer must be delivered to the transferor of the interest, the transferor's legal representative, the holder of legal title to the property, or the person in possession of the property. We estimate that the total

respondent/record keepers will be 500 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 500 hours.

Reg. 26.2662-1(b).

Section 26.2662-1(b) provides that a trustee of a trust involved in a taxable generation-skipping distribution must file the Form 706GS(D-1) with the Service (Copy A) reporting the amount of the distribution, and must send a copy (Copy B) to each distributee. The distributee must pay the tax with the Form 706GS(D) and attach a copy of each Form 706GS(D-1) received during the year. The burden is reflected on Form 706G-S(D-1).

Reg. 26.2662-1(c)(iv) and (v).

Section 26.2662-1(c)(iv) and (v) provides that in the case of a direct skip from a trust the estate's executor prepares Schedule R-1 (Form 706), attaches one copy to the Form 706 and sends two copies to the trustee (who pays the GST tax using one copy of the Schedule R-1 as a payment voucher). The burden is reflected on Form 706.

Reg. 31.3102-3(a)(3)(c).

Section 31.3102-3(a)(3)(c) requires an employer of employee who had tip income to disclose, upon request, the basis upon which estimated tax was calculated. This can be done by providing the employee with a copy of Form 4070. The burden is reflected on Form 4070.

Reg. 31.3102-3(a)(3)(d).

Section 31.3102-3(a)(3)(d) refers to statements employers must furnish employees about uncollected employee tax on tips reported to employer. The employer provides this information to employees on Form W-2. The burden is reflected on Form W-2.

Reg. 31.3121(a)-3(b)(1)(i).

Section 31.3121(a)-3(b)(1)(i) provides that, if a reimbursement or other expense allowance satisfies the requirements of §62(c), expenses must be substantiated within a reasonable period of time by the employee to the employer and amounts in excess of the substantiated expenses must be returned within a reasonable period of time, to avoid treatment of the effected amounts as wages for federal employment tax purposes. We estimate that the total respondents will be 1 million, the time per respondent will be 1 hour, and thus the burden will be approximately 1,000,000 hours.

Reg. 31.3121(b)(3)-1(b).

Section 31.3121(b)(3)-1(b) provides an exemption from FICA for certain employment based in part on fact that spouse is incapable of taking care of a child or a child requires the personal care or supervision of an adult. A statement by a doctor of the existence of that condition is generally sufficient evidence. There is no IRS form for this requirement. The estimated amount of time required for the doctor to provide this statement $\frac{1}{4}$ hour. The estimated number of individuals requiring personal care or supervision is 25,000. The estimated total burden is 6,250 hours.

Reg. 31.3121(b)(12)-1.

Section 31.3121(b)(12)-1 provides that services performed for instrumentalities of a foreign government are excepted from FICA taxes if, among other things, the Secretary of State certifies to the Secretary of the Treasury that the foreign government grants a similar exemption to services performed in the foreign country by employees of the United States government. There is no IRS form for this requirement. The estimated amount of time required to provide this statement is 2 hours. The estimated number of foreign government employees working in the U.S. is 10,400. The total estimated burden is 20,800 hours.

Reg. 31.3121(r)-1(b)(4).

Section 31.3121(r)-1(b)(4) provides that certain religious orders may file a certificate electing coverage under social security and Medicare. The order must retain records relating to members' retirement. We estimate that the total respondents will be 5, the time per respondent will be 1 hour, and thus the burden will be approximately 5 hours.

Reg. 31.3302(a)-3(a).

Section 31.3302(a)-3 provides that to receive credit under §3302(a), a taxpayer must submit a statement from the state showing the amount of tax paid. We estimate that the total respondents will be 50, the time per respondent will be 1 hour, and thus the burden will be approximately 50 hours.

Reg. 31.3302(b)-2.

Section 31.3302(b)-2 provides that to receive credit under §3302(b), a taxpayer must submit a statement from the state showing the amount of tax paid. The burden under this section is contained within the burden estimate for the requirement under section 31.3302(a)-3(a).

Reg. 31.3306(b)-2.

Section 31.3306(b)-2 applies the accountable plan rules under §62(c), therefore, the substantiation requirement mentioned in 62(c) would apply here. We estimate that the total respondents will be 1,000,000, the time per respondent will be one hour, and thus the burden will be approximately 1,000,000 hours.

Reg. 31.3306(c)(12)-1(a).

Section 31.3306(c)(12)-1(a) provides that when a worker claims a foreign instrumentality exemption, a certification must be obtained from the Secretary of State that the relevant foreign government grants an equivalent exemption with respect to services performed in the foreign country by employees of U.S. instrumentalities. There is no IRS form for this requirement. The estimated amount of time required to provide this statement is 2 hours. The estimated number of foreign government employees working in the U.S. is 10,400. The total estimated burden is 20,800 hours.

Reg. 31.3401(a)-1(b)(12).

Section 31.3401(a)-1(b)(12) provides that a permanent resident of the Virgin Islands is required to file a statement with the employer that he or she expects to satisfy his or her income tax obligations under the Revised Organic Act of the Virgin Islands to obtain exemption from income tax withholding. The time to provide this information is 5 minutes. The estimated number of permanent residents of the V. I. working in the U.S. is 5,000. The total estimated burden is 417 hours.

Reg. 31.3401(a)-1(b)(8)(ii)(c).

Section 31.3401(a)-1(b)(8)(ii)(c) deals with amounts paid by employers for whom services are performed for a period of absence beginning before January 1, 1964. It provides for a statement from the employee to the employer explaining why the employee was absent from work. We estimate that the total respondents will be 5, the time per respondent will be 10 minutes, and thus the burden will be approximately 50 minutes.

Reg. 31.3401(a)(6)-1(c).

Section 31.3401(a)(6)-1(c) requires a certificate to be filed with the employer by certain nonresident aliens (residents of Canada or Mexico and who are engaged in certain transportation services) to be exempt from income tax withholding. There is no IRS form. The estimated time to provide this certificate to an employer is $\frac{1}{4}$ hour. The estimated number of individuals required to file this certificate is 40,000. The estimated burden is 10,000 hours.

Reg. 31.3401(a)(6)-1(d).

Section 31.3401(a)(6)-1(d) requires a statement to be filed with an employer by a nonresident alien who is a resident of Puerto Rico performing services outside the U.S. to be exempt from income tax withholding. There is no IRS form. The estimated time to file this statement is $\frac{1}{4}$ hour. The estimated number of individuals required to file this statement is 6,000. The estimated burden is 1,500 hours.

Reg. 31.3401(a)(6)-1(e).

Section 31.3401(a)(6)-1(e) requires a statement to be filed with the employer by a nonresident alien to be eligible for exemption from income tax withholding. There is no IRS form. The estimated time required to provide this statement is $\frac{1}{4}$ hour. The estimated number of individuals required to file this statement is 800,000. The estimated burden is 200,000 hours.

Reg. 31.3401(a)(8)(A)-1(a)(2)(i).

Section 31.3401(a)(8)(A)-1(a)(2)(i) requires a statement to be submitted by an employee to the employer (concerning his or her tax home and being bona fide resident of a foreign country) to get exemption from income tax withholding based on an expected section 911 exclusion as a bona fide resident of a foreign country for an entire taxable year. The employee is required to complete Form 673. The burden is reflected on Form 673.

Reg. 31.3401(a)(8)(A)-1(a)(3).

Section 31.3401(a)(8)(A)-1(a)(3) requires a statement to be submitted by an employee to the employer stating that the employee will maintain a tax home in a foreign country and be present in the foreign country 330 full days during any period of 12 consecutive months to get an exemption from income tax withholding for purposes of the exclusion under section 911. The employee is required to complete Form 673. The burden estimate is reflected in Form 673.

Reg. 31.3401(a)(8)(A)-1(a)(4).

Section 31.3401(a)(8)(A)-1(a)(4) requires a statement concerning housing costs to be submitted by an employee to the employer to get an exemption from income tax withholding for purposes of the exclusion for housing costs under section 911. The employee is required to complete Form 673. The burden estimate is reflected in Form 673.

Reg. 31.3401(a)(8)(C)-1(b)(2).

Section 31.3401(a)(8)(C)-1(b)(2) requires a statement concerning a U.S. citizen's residence in Puerto Rico during an entire calendar year to be submitted by the employee to the employer to get an exemption from income tax withholding. There is no IRS form. The estimated amount of time required to provide this statement is $\frac{1}{4}$ hour. The estimated number of U.S. citizens residing in Puerto Rico is 6,000. The estimated burden is 1,500 hours.

Reg. 31.3402(f)(1)-1.

Section 31.3402(f)(1)-1 requires that, in order to receive the benefit of withholding exemptions, the employee must file with his or her employer a withholding exemption certificate as provided in section 3402(f)(2). The burden under this section is contained within the burden estimate for the requirement to furnish Form W-4 under 31.3402(f)(2)-1.

Reg. 31.3402(f)(2)-1.

Section 31.3402(f)(2)-1 requires that a withholding exemption certificate be furnished by an employee to the employer upon commencement of employment, and in the event of certain changes in the status of the employee that affect the employee's entitlement to income tax withholding exemptions. The certificate is furnished by Form W-4. The burden estimate is reflected on Form W-4.

Reg. 31.3402(f)(5)-1.

Section 31.3402(f)(5)-1 provides that Form W-4 is the prescribed form for the withholding exemption certificate used by employees to claim allowances on wages paid by an employer or the employer may prepare and use a form the provisions of which are identical with those of the Form W-4, but only if the employer also provides employees with all the tables and instructions contained in the Form W-4 in effect at that time and only if the employer complies with all revenue procedures relating to substitute forms in effect at that time. The burden under this section is contained within the burden estimate

for the requirement to furnish Form W-4 under 31.3402(f)(2)-1.

Reg. 31.3402(f)(5)-1(c).

Section 31.3402(f)(5)-1(c) provides that employers are permitted to establish electronic systems for employees to use in furnishing some withholding exemption certificates. The burden is contained in the estimate under 31.3402(f)(2)-1.

Reg. 31.3402(h)(1)-1.

Section 31.3402(h)(1)-1 deals with withholding on the basis of average wages and refers to tip reporting requirements under section 6053(a). The burden is described under section 6053.

Reg. 31.3402(h)(3)-1.

Section 31.3402(h)(3)-1 requires an employee to file a statement with the employer if the employee wants income tax withholding on the basis of cumulative wages. There is no IRS form. The estimated time to provide this statement to an employer is ½ hour. The estimated number of individuals required to provide this statement is 250,000. The estimated burden is 125,000 hours.

Reg. 31.3402(h)(4)-1(c)(5).

Section 31.3402(h)(4)-1(c)(5) requires a statement to be filed if an employee wants income tax withholding according to the part-year employment method. The burden under this section is contained within the burden estimate for the requirement to furnish Form W-4 under 31.3402(f)(2)-1.

Reg. 31.3402(i)-1.

Section 31.3402(i)-1 provides that additional withholding may occur pursuant to an agreement between the employer and the employee. The burden under this section is contained within the burden estimate for the requirement to furnish Form W-4 under 31.3402(f)(2)-1.

Reg. 31.3402(i)-2(a)(1).

Section 31.3402(i)-2(a)(1) provides that a request for additional income tax withholding beyond the table amount must be filed by the employee with the employer on Form W-4. The burden under this section is contained within the burden estimate for the requirement to furnish Form W-4 under 31.3402(f)(2)-1.

Reg. 31.3402(l)-1(b)(2).

Section 31.3402(l)-1(b)(2) requires employees to report changes in marital status by filing new Form W-4 with the employer. The burden is reflected on Form W-4.

Reg. 31.3402(m)-1(a).

Section 31.3402(m)-1(a) provides that, in order to receive benefit of withholding allowances described in this provision, the employee must have in effect with his employer a withholding exemption certificate claiming such allowances. The burden

under this section is contained within the burden estimate for the requirement to furnish Form W-4 under 31.3402(f)(2)-1.

Reg. 31.3402(n)-1.

Section 31.3402(n)-1 provides that an employee is required to file a statement with the employer to get exemption from income tax withholding where the employee anticipates no income tax liability this year and had no income tax liability last year. We estimate that the total respondents will be about 10,000,000, the time per respondent will be $\frac{1}{4}$ hour, and thus the burden will be about 2,500,000 hours.

Reg. 31.3402(o)-1.

Section 31.3402(o)-1 provides for the use of a withholding exemption certificate with respect to payments of supplemental unemployment compensation. We estimate that the total respondents will be about 2,000,000, the time per respondent will be $\frac{1}{4}$ hour, and thus the burden will be about 500,000 hours.

Reg. 31.3402(o)-2(b) and (c).

Sections 31.3402(o)-2(b) and (c) requires that an employee file a statement with a payor to get withholding on an annuity (if the annuity not covered under section 3405). We estimate that the total respondents will be 100,000, the time per respondent will be 5 minutes, and thus the burden will be 8,333 hours.

Reg. 31.3402(o)-2(f).

Section 31.3402(o)-2(f) requires a payor to report certain annuity payments and furnish certain information. We estimate that the total respondents will be 100,000 employers, the time per employer will be 5 minutes for each employee with an average of 150 employees affected, and the estimated burden will be 1,250,000 hours.

Reg. 31.3402(o)-3.

Section 31.3402(o)-3 requires an employee to file a statement with a third party payor to get withholding on sick pay paid by the third party. We estimate that the total respondents will be 2,000,000, the time per respondent will be 5 minutes, and thus the burden will be 166,667 hours.

Reg. 31.3402(p)-1.

Section 31.3402(p)-1 provides that an employee who wants voluntary withholding is required to furnish a statement with certain listed information to the employer. The estimated time to furnish this statement is $\frac{1}{4}$ hour. The estimated number of employees who have voluntary withholding is 250,000. The estimated burden is 62,500 hours.

Reg. 31.3402(q)-1(d) and (e).

Section 31.3402(q)-1(d) and (e) provides that a person who is to receive a payment of gambling winnings must provide certain withholding information to the payor. We estimate that the total number of respondents will be 15,000,000 and the time per

respondent will be 1 minute, and thus the total burden will be 250,000 hours.

Reg. 31.3402(r)-1(a)(1).

Section 31.3402(r)-1(a)(1) provides that a tribe and a tribal member may enter into an agreement to provide for the deduction and withholding of additional amounts from payments of gaming revenues in order to satisfy the anticipated tax liability of the tribal member. We estimate that the total respondents will be 100, the time per respondent will be ¼ hour, and thus the burden will be 25 hours.

For section 31.3405(c)-1 Q&A 1-13 below, the number of respondents sending Form 1099-R and Form 5498 to payees is 10,160,000. The time per respondent is 1 minute. The total burden is 169,333 hours. The remaining burden is reflected on Form 1099-R and Form 5498.

Reg. 31.3405(c)-1 (final).

Section 31.3405(c)-1 (final) provides as follows with respect to withholding and rollovers for distributions from qualified plans:

(Q&A-1) provides that any designated distribution that is an eligible rollover distribution from a qualified plan or a section 403(b) annuity is subject to income tax withholding at the rate of 20 percent unless the distributee of the eligible rollover distribution elects to have the distribution paid directly to an eligible retirement plan in a direct rollover. If a designated distribution is not an eligible rollover distribution it is subject to the elective withholding provisions of section 3405(a) and (b) and section 35.3405-1 of this chapter and is not subject to the mandatory withholding requirements of section 3405(c) and this section. (Q&A-2) provides that the 20 percent withholding applies to an eligible rollover distribution unless the distributee elects under section 401(a)(31) to have the eligible rollover distribution paid directly to an eligible retirement plan in a direct rollover.

(Q&A-3) provides that the plan administrator of a qualified plan and the payor of a section 403(b) plan have the responsibility to withhold on an eligible rollover distribution.

(Q&A-4) provides that the plan administrator may shift the withholding responsibility to the payor by following the procedures set forth in Q&A A-13 and Q&A E-2 of section 35-3405-1 of this chapter.

(Q&A-5) provides that, if a distributee elects to have a portion of an eligible rollover distribution paid to an eligible retirement plan in a direct rollover and to receive the remainder of the distribution, the 20 percent withholding requirement under section 3405(c) applies only to the portion of the eligible rollover distribution that the distributee receives and not to the portion that is paid in a direct rollover.

(Q&A 6&7) provides that, if the plan administrator reasonably relies on adequate information provided by the distributee (as described in Q&A-7 of this section) the plan

administrator will not be subject to liability for failure to withhold income tax from an eligible rollover distribution if the distribution is paid to an account or plan that is not an eligible retirement plan.

(Some of the above requirements are subparts of the others and some are alternatives depending on the taxpayer's choice.)

Reg. 31.3405(c)-1 (Q&A 11) and (Q&A-12&13) (final).

Section 31.3405(c)-1 (Q&A 11) (final) provides that the Plan administrator is responsible for maintaining the records and making the required reports with respect to eligible rollover distributions from qualified plans. If he fails to do so, the employer is responsible for the reports and returns. The burden estimate reflects the time required to send copies of Form 1099-R and Form 5498.

Reg. 31.3405(c)-1T (Q&A-12&13) (temporary).

Section 31.3405(c)-1T (Q&A-12&13) (temporary) provides that each eligible rollover distribution must be reported by the plan administrator, trustee, or custodian on Form 1099-R in accordance with the instructions on that form and that, when a distributee elects to have an eligible rollover distribution paid to an individual retirement account in a direct rollover, the plan administrator, trustee or custodian must report it on Form 5498 as a rollover contribution.

Reg. 35.3405-1 (temporary).

Section 35.3405-1 (temporary) provides the following with respect to withholding on designated distributions from pension plans:

(Q&A A-1) provides that withholding is required on all designated distributions unless the payee elects not to have withholding apply.

(Q&A A-5) provides that in general, withholding is required on any designated distribution made after December 31, 1982.

(Q&A A-6) provides that a payee receiving amounts that are subject to the new withholding regulations may not choose to use the voluntary withholding system of section 3402(o). Also, if a payee had a fixed amount withheld upon request, a different amount will probably be withheld when the new provisions take effect unless the rule under Q&A A-7 applies. However, section 3402(o) continues to apply to annuity payments that are not designated distributions, to sick pay, and to supplemental employment benefits.

(Q&A A-10) provides that amounts from periodic payments are withheld as if the payment were a payment from wages by an employer to an employee for the appropriate payroll period.

(Q&A A-11) provides that the amount withheld on qualified total distributions will be

determined under tables prescribed by the Secretary that approximate the tax that would be imposed under section 402(e) if the payee elected to treat the distribution as a lump sum distribution within the meaning of section 402(e)(4)(A).

Q&A A-13) provides that the payor of a designated distribution must withhold, and is liable for tax to be withheld. However, in the case of a distribution from a plan described in section 401(a), 403(a) or section 301(d) of the Tax Reduction Act of 1975, the plan administrator must withhold, and is liable for the payment of, the withheld tax unless he directs the payor to withhold the tax and furnishes the payor with any information that may be required by the Secretary in forms and regulations.

(Q&A A-15) provides that a bank, regulated investment company, or insurance company that makes a periodic payment to a payee solely at the direction of an employer sponsored individual retirement account is a payor subject to the pension withholding provisions.

(Q&A A-16) provides that, if the employer acts as an agent for the bank trustee by making designated distributions, then the employer is a payor. However, this does not relieve the bank trustee of liability for withholding because the rule for transfer liability only applies to plan administrators.

(Q&A A-17 to A-23) describes whether certain plans and arrangements, both qualified and nonqualified, are subject to the withholding provisions.

These requirements address aspects of the same obligation. We estimate that the total respondents will be 10,160,000 and the average time per respondent will be 1 minute, and thus the total burden will be 169,333 hours, which reflects the time required to send copies of Form 1099-R and Form 5498.

Reg. 35.3405-1 (Q&A A-7) (temporary).

Section 35.3405-1 (Q&A A-7) (temporary) provides that if a recipient of a pension or annuity has previously elected voluntary withholding under section 3402(0), the Form W-4P can be effective as an election to currently withhold a certain flat dollar amount if the plan administrator or payor wishes to honor it as an election, and the payee is notified that his previously filed W-4P will remain effective unless he elects out of withholding or files a new withholding certificate. We estimate that the total respondents will be 10,160,000 and the average time per respondent will be $\frac{1}{4}$ hour, and thus the total burden will be 2,540,000 hours.

Reg. 35.3405-1 (temporary).

Section 35.3405-1 (temporary) provides the following with respect to determining the amount that is included or excluded from gross income:

(Q&A A-24 to A-27) provides that the payor may rely on the information furnished by

the plan administrator to determine the amounts includible in gross income in the absence of information to the contrary. It also discusses what happens if the plan administrator fails to provide the payor with any information.

(Q&A A-31) provides that, unless a payor has specific knowledge that employee contributions distributed from a plan described in section 401(a) are accumulated deductible employee contributions, it is reasonable to assume that the amounts are excludible from gross income in the year received.

(Q&A A-32) provides that, in the case of disability payments paid under a noncontributory plan to a disability retiree who has not attained age 65, it is reasonable for the payor to believe that amounts paid to the payee are includible in gross income, unless the payor has specific knowledge that all or part of the periodic payments are not includible in gross income, or if the payee notifies the payor of the amount excludible from gross income, the payor must compute the taxable portion of the payment based on information provided by the payee.

Reg. 35.3405-1 (temporary).

Section 35.3405-1 (temporary) provides the following with respect to determination of withholding amounts:

(Q&A A-34) provides that a payor may rely on a plan administrator's computation of the amount to be withheld, unless the payor knows or has reason to know that the computations are incorrect.

(Q&A A-36) provides that the amount to be withheld from a payment made by one check to more than one beneficiary must be computed as if the payment were made to only one beneficiary. An alternative method exists if each payee files a withholding certificate and the payor knows the amount of the payment to which each payee is entitled. Other requirements apply.

(Q&A A-37) provides that no correction for an error in computation of the amount of a designated distribution subject to withholding is required if the error was a reasonable one, for example, the payor relied on information provided by the plan administrator, the payee's representation on the withholding certificate, on the regulations, or the payor made a mathematical error.

Reg. 35.3405-1(B) (B-1 to B-8) (temporary).

Section 35.3405-1(B) (B-1 to B-8) (temporary) provides that withholding on a periodic payment is accomplished by treating the payment as if it were wages. Thus, unless the employee has elected not to have withholding apply, the method of withholding that is an appropriate method for withholding on wages is appropriate for withholding on periodic payments. If a withholding certificate is filed by a payee, it will generally take effect as provided in section 3402(f)(3) for certificates filed to replace existing withholding certificates. If a payment period is specified as by the terms of a commercial annuity

contract, it must be used as the appropriate period for determining the amount to be withheld. Similarly, if the payment period is designated in a plan administrator's report or on an individual retirement account payout schedule, this period must be used as the appropriate payment period.

Reg. 35.3405-1 (Q&A C-4) (temporary).

Section 35.3405-1 (Q&A C-4) (temporary) provides that, unless the payor or the plan administrator has reason to believe that a payee is not a calendar year taxpayer, they may treat the payee as a calendar year taxpayer. If the payee tells the payor that he is not a calendar year taxpayer, they have reason to believe he is not a calendar year taxpayer. (Q&A C-6 to C-7) provide that the payor can rely on a plan administrator's report in determining whether a distribution consists of the balance to the credit of an employee under a plan. However, the payor may rely on the payee's representation that a distribution does not consist of the balance to the credit on the employee under the plan. See Q&A C-6 for what is meant by the "balance to the credit".

Reg. 35-3405-1(D) (Q&A D-1 to D-34) (temporary).

Section 35-3405-1(D) (Q&A D-1 to D-34) (temporary) provide that a payee may elect not to have Federal Income Tax withheld from a designated distribution and this election is effective until revoked. The payor (or the plan administrator on behalf of the payor) must provide each payee with notice of the right not to have withholding apply and the right to revoke the election. Notice must be provided not earlier than six months before the first payment and not later than when making the first payment, and thereafter at least once each calendar year. Other requirements concerning this notice apply. In particular, Q&A D-18 provides what information a notice to a payee must contain, and Q&A D-20 provides who has the responsibility for providing notice.

Reg. 35.3405-1 (Q&A E-1) (temporary).

Section 35.3405-1 (Q&A E-1) (temporary) provides that the plan administrator is responsible for maintaining the records and making the reports required by section 6047(e). However, if the plan administrator fails to do so, the employer maintaining the plan is responsible for the reports and returns.

Reg. 35.3405-1 (Q&A E-2) (temporary).

Section 35.3405-1 (Q&A E-2) (temporary) provides that the plan administrator may transfer the liability for withholding by directing the payor in writing to withhold the tax and providing the payor with the required information. This provision does not result in additional burden.

Reg. 35.3405-1 (Q&A E-4) (temporary).

Section 35.3405-1 (Q&A E-4) (temporary) provides that, if the plan administrator does not notify the payor of the amount of employee contributions with respect to a payee, after December 31, 1983, the withholding responsibility shifts to the payor. The resulting burden is subsumed in 1.3405-1 (Q&A A1-23).

Reg. 35.3405-1 (Q&A E-5) (temporary).

Section 35.3405-1 (Q&A E-5) (temporary) provides that if, after December 31, 1983, the plan administrator fails to supply the payor with any information concerning the existence or amount of any employee contributions, the withholding responsibility does not shift to the payor unless he affirmatively states that there are no employee contributions or that the reporting of this item is not applicable in determining the payee's tax liability. This provision does not result in any incremental burden.

Reg. 35.3405-1 (Q&A E-6) (temporary).

Section 35.3405-1 (Q&A E-6) (temporary) provides that section 6047(e) will be satisfied by maintaining records necessary to provide the information contained on Forms W-2P and 1099R, if, in addition, the following information is maintained: (1) payee's date of birth(if known) and spouses's or designated beneficiary's date of birth (if known), (2) plan administrator's name, address and employer identification number (EIN), (3) plan's name and identification number and sponsor's name, address and EIN, and (4) date on which payments commence and amount and frequency of payments. Temp. 35.3405-1 (Q&A E-7) provides that the employer, plan administrator or issuer of any contract must still maintain the information required by Form W-2P and the recipient must be provided with this information to determine his tax liability even if the interim method of withholding on periodic payments is used. Temp. 35.3405-1 (Q&A E-8) provides that reporting is required by the plan administrator or payor pursuant to section 6047(e) any time there is a designated distribution to which section 3405 applies.

Reg. 35.3405-1 (Q&A E-9) (temporary).

Section 35.3405-1 (Q&A E-9) (temporary) provides that the reporting requirement under section 6047(e) will be satisfied if Form W-2P or Form 1099R is filed with respect to each payee, in the absence of other forms or regulations.

Reg. 35.3405-1 (Q&A E-10) (temporary).

Section 35.3405-1 (Q&A E-10) (temporary) provides that the amounts withheld under section 3405 must be deposited with a Federal Reserve Bank or an authorized financial institution according to certain requirements, and must be reported on the same Form 941 used to report employment taxes.

Reg. 35.3405-1 (Q&A F-13) (temporary).

Section 35.3405-1 (Q&A F-13) (temporary) provides that, where an insurance company makes payments under certain variable annuity contracts to which The Investment Company Act of 1940 applies, and the insurance company must make payment within 7 days after a payee requests withdrawal from a contract, the notice of a payee's right to elect out of withholding for a nonperiodic distribution satisfies the "reasonable time" requirement of question D-9 if the insurance company mails a notice to the payee on the day the request for withdrawal is received. The notice may specify that unless the payee calls the company on a toll-free telephone number supplied within 7 days of the date the request was received, the company will withhold from the distribution.

Reg. 35.3405-1 (Q&A F-25) (temporary).

Section 35.3405-1 (Q&A F-25) (temporary) provides that the time at which a plan administrator, etc. must provide notice under section 3405(d)(10) also applies to the time at which an election out of withholding may be made. (Except with respect to certain annuity contracts under question F-13.) Temp. 35.3405-1 (Q&A F-26) provides that abbreviated notice may be supplied to a payee if the payor provided notice prior to January 1, 1983, so long as it includes all the information required by question D-18 which was not included in the earlier notice.

Reg. 35.3405-1 (Q&A F-27) (temporary).

Section 35.3405-1 (Q&A F-27) (temporary) provides that section 3405(d)(10)(B)(i) requires the payor of a nonperiodic distribution to transmit to the payee notice, at the time of the distribution or at such earlier time as may be provided in regulations, of the right to elect not to have withholding apply. If distributions have begun, the payor may provide a blanket notice with a reasonable time before the first payment made in the calendar year to which the notice relates, with certain exceptions.

For all regulations under section 35.3405-1 above (excluding Q&A A-7), there is an estimated 10,160,000 respondents supplying forms. The time per respondent is 1 minute. The total burden for supplying the forms is 169,333 hours. The remaining burden is reflected on Form 1099, Form W-4P, Form W-2P, and Form 941.

Reg. 31.3406(d)-5(f) and (g).

Section 31.3406(d)-5(f) and (g) provide the procedure that a payee must follow to correct an incorrect taxpayer identification number after backup withholding has been initiated. We estimate that the total number of respondents will be 1750 and the time per respondent will be ½ hour, and thus the total burden will be 875 hours.

Reg. 31.3507-1(b).

Section 31.3507-1(b) provides that an employer must report to an employee on Form W-2 the amount of advance earned income credit an employee receives during the year. The burden required by this regulation is reflected in the burden estimates for Form W-2.

Reg. 31.3507-2.

Section 31.3507-2 requires that each calendar year a qualifying employee who wishes to receive advance earned income credit payments from the employer must file a valid Form W-5, Earned Income Credit Advance Payment certificate with the employer. Form W-5 includes the information necessary for the employer to determine the correct amount of each advance payment. The burden required by this regulation is reflected in the burden estimates for Form W-5.

Reg. 31.3508-1(b)(iii) (proposed).

Section 31.3508-1(b)(iii) (proposed) provides that among the requirements to qualify as a statutory non-employee, the services performed by a qualified real estate agent must be performed pursuant to a written contract between the parties which provides that the individual will not be treated as an employee with respect to such services for Federal tax purposes. This requirement is also statutory. The estimated number of licensed real estate agents is 2,000,000. The estimated time required to complete a contract with such a statement is 5 minutes. The estimated burden is 166,667 hours.

Reg. 31.3508-1(c)(iii) (proposed).

Section 31.3508-1(c)(iii) (proposed) provides that the requirement in §31.3508-1(b)(iii) also applies with respect to direct sellers. The estimated number of direct sellers is 1,000,000. The estimated time required to complete a contract with such a statement is 5 minutes. The estimated burden is 83,333 hours.

Reg. 31.3508-1(e) (proposed).

Section 31.3508-1(e) (proposed) explains the written contract requirement in section (b) (iii) and (c)(iii). The estimated number of licensed real estate agents and direct sellers is 3,000,000. The estimated time to complete such a statement is 5 minutes. The estimated burden is 250,000 hours.

Reg. 48.4041-5.

Section 48.4041-5 provides that if a buyer of special motor fuel gives its seller a described certificate, then the seller (rather than the buyer) is liable for tax. We estimate that there are 1,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 100 hours.

Reg. 48.4041-10.

Section 48.4041-10 provides that a buyer of special motor fuels may give its seller a described certificate to effect a tax-free sale. We estimate that there are 100 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 10 hours.

Reg. 48.4041-15.

Section 48.4041-15 provides that a state or local government may give its seller a described certificate to effect a tax-free sale of special motor fuel. We estimate that there are 1,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 100 hours.

Reg. 48.4041-17.

Section 48.4041-17 provides that a nonprofit educational organization may give its seller a described certificate to effect a tax-free sale of special motor fuel. We estimate that there are 1,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 100 hours.

Reg. 145.4052-1(a).

Section 145.4052-1(a) provides that a seller must get a certificate from the buyer in order for a sale to be free of the tax on the retail sale of heavy trucks and trailers, and describes the certificate. We estimate that there are 60,000 respondents and it will take them 36 minutes to complete the certificate. The total burden for this reporting requirement is 36,000 hours.

Reg. 48.4081-2(c)(3) and 48.4081-3(d)(2)(iii).

Section 48.4081-2(c)(3) and 48.4081-3(d)(2)(iii) provide that a gasoline terminal operator avoids tax liability if, among other requirements, it receives a described notification certificate from its position holder. We estimate that there are 500 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 50 hours.

Reg. 48.4081-3(e)(2)(ii).

Section 48.4081-3(e)(2)(ii) provides that a gasoline owner avoids tax liability if, among other requirements, it receives a described notification certificate from the terminal into which the owner's fuel is received. We estimate that there are 200 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 20 hours.

Reg. 48.4081-3(f)(2)(ii).

Section 48.4081-3(f)(2)(ii) provides that a gasoline seller avoids tax liability if, among other requirements, it receives a described notification certificate from its buyer. We estimate that there are 150 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 15 hours.

Reg. 48.4081-4(b)(2)(ii) and 48.4081-4(b)(3)(i).

Sections 48.4081-4(b)(2)(ii) and 48.4081-4(b)(3)(i) provide that a gasoline blendstocks seller avoids tax liability if, among other requirements, it receives a described exemption certificate from its buyer. We estimate that there are 1,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 100 hours.

Reg. 48.4081-4(c).

Section 48.4081-4(c) provides that a person that removes gasoline blendstocks avoids tax liability if, among other requirements, it receives a described notification certificate from the terminal or refinery where the blendstocks are received. We estimate that there are 100 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 10 hours.

Reg. 48.4081-6(c)(1)(ii).

Section 48.4081-6(c)(1)(ii) provides that the gasoline tax is imposed at the reduced rate for gasohol production if the taxpayer receives a described certificate from the gasohol blender. We estimate that there are 1,200 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 120 hours.

Reg. 48.4081-7.

Section 48.4081-7 provides that certain buyers of taxed gasoline must receive described paperwork from their sellers so that the buyer may obtain a refund of the tax paid on the gasoline. We estimate that there are 60 respondents and it will take them ¼ hour to complete this paperwork. The total burden for this reporting requirement is 15 hours.

Reg. 48.4221-1(b).

Section 48.4221-1(b)(1) provides that a manufacturer is relieved of tax liability if it accepts, in good faith, a proper exemption certificate from its buyer. Section 48.4221-1(b)(5) requires the manufacturer to notify its tax-free buyers that they are buying articles tax free. We estimate that there are 400 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 40 hours.

Reg. 48.4221-1(c).

Section 48.4221-1(c) requires tax-free buyers to furnish their sellers with the buyer's registration number. We estimate that there are 1,000 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 100 hours.

Reg. 48.4221-2.

Section 48.4221-2 provides that tax-free sales of taxable articles to a buyer for resale to a second buyer for use in further manufacture are allowed if the manufacturer receives a described "Statement of Manufacturer's Vendee" from the buyer. We estimate that there are 1,000 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 100 hours.

Reg. 48.4221-3.

Section 48.4221-3 provides that tax-free sales of taxable articles to a buyer for resale to a second buyer for export are allowed if the manufacturer receives a described "Statement of Manufacturer's Vendee" from the buyer. We estimate that there are 200 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 20 hours.

Reg. 48.4221-4.

Section 48.4221-4 provides that tax-free sales of taxable articles for use as supplies for vessels or aircraft are allowed if the taxpayer receives a described exemption certificate from its buyer. We estimate that there are 10 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 1 hour.

Reg. 48.4221-5.

Section 48.4221-5 provides that tax-free sales of taxable articles for the exclusive use of a state or local government are allowed if the taxpayer receives a described exemption certificate from its buyer. We estimate that there are 10,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 1,000 hours.

Reg. 48.4221-6.

Section 48.4221-6 provides that tax-free sales of taxable articles for the exclusive use of a nonprofit educational organization are allowed if the taxpayer receives a described exemption certificate from its buyer. We estimate that there are 2,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 200 hours.

Reg. 48.4221-7.

Section 48.4221-7 provides that tax-free sales of tires for use on or in connection with the sale of another article are allowed if the taxpayer receives a described "Statement of

Manufacturer's Vendee" from the buyer. We estimate that there are 500 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 50 hours.

Reg. 48.4221-8.

Section 48.4221-8 provides that tax-free sales of tires for use on or in connection with the sale of certain buses are allowed if the manufacturer notifies the buyer that the tires are being sold tax-free for use by the buyer for a described purpose. We estimate that there are 800 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 80 hours.

Reg. 49.4253-2.

Section 49.4253-2 provides that a news service is exempt from communications tax liability if it receives a bill for certain communications services in writing and certifies in writing to its provider how the communications services are used. We estimate that there are 4,000 respondents and it will take them ½ hour to complete the certificate. The total burden for this reporting requirement is 2,000 hours.

Reg. 49.4253-3 and 49.4253-11.

Section 49.4253-3 provides that certain organizations are exempt from communications tax liability if they file an exemption certificate with their provider in a prescribed form. Section 49.4253-11 provides rules for exemption certificates. We estimate that there are 100 respondents and it will take them ½ hour to complete the certificate. The total burden for this reporting requirement is 50 hours.

Reg. 49.4253-4 and 49.4253-11.

Section 49.4253-4 provides that servicemen in a combat zone originating certain communications service are exempt from communications tax liability if they file an exemption certificate with their provider in a prescribed form. Section 49.4253-11 provides rules for exemption certificates. We estimate that there are 100 respondents and it will take them ½ hour to complete the certificate. The total burden for this reporting requirement is 50 hours.

Reg. 49.4261-4(c).

Section 49.4261-4(c) provides that a traveler must show an air transportation ticket to the carrier. We estimate that there are 100,000 respondents and it will take them 36 seconds to show the ticket to the carrier. The total burden for this reporting requirement is 1,000 hours.

Reg. 49.4261-4(d).

Section 49.4261-4(d) provides for specified information on air transportation tickets. We estimate that there are 1,000,000 respondents and it will take them 36 seconds to complete the information. The total burden for this reporting requirement is 10,000 hours.

Reg. 49.4261-6(c).

Section 49.4261-6(c) provides for specified information on air transportation tickets. We estimate that there are 1,000,000 respondents and it will take them 36 seconds to complete the information. The total burden for this reporting requirement is 10,000 hours.

Reg. 49.4261-6(d).

Section 49.4261-6(d) provides for specified information on air transportation tickets. We estimate that there are 50,000 respondents and it will take them .01 hour to complete the information. The total burden for this reporting requirement is 500 hours.

Reg. 49.4261-6(e).

Section 49.4261-6(e) provides that evidence of tax status of air transportation must be obtained. We estimate that there are 1,000 respondents and it will take them 1 hour to complete the evidence. The total burden for this reporting requirement is 1,000 hours.

Reg. 49.4264(b)-1.

Section 49.4264(b)-1 provides that a person redeeming an unused ticket must give a copy of report made to IRS to the person presenting the unused ticket for redemption. We estimate that there are 5,000 respondents and it will take them 9 minutes to complete and present the ticket. The total burden for this reporting requirement is 750 hours.

Reg. 49.4264(c)-1(a)(2).

Section 49.4264(c)-1(a)(2) provides that a carrier must have certain written evidence that tax has already been paid by the passenger in order to be relieved from collecting the tax from the passenger. We estimate that there are 1,000 respondents and it will take them 36 seconds to complete the required information. The total burden for this reporting requirement is 10 hours.

Reg. 49.4271-1(c).

Section 49.4271-1(c) provides that certain information must be included on through airwaybill, air freight manifest, or U.S. Government bill of lading. We estimate that there are 10,000,000 respondents and it will take them 36 seconds to complete the required information. The total burden for this reporting requirement is 100,000 hours.

Reg. 49.4271-1(d).

Section 49.4271-1(d) provides a description of proof of exportation to be given to the carrier. The burden for this reporting requirement is described under Form 1363.

Reg. 41.4481-2(b).

Section 41.4481-2(b) provides that a person acquiring a used vehicle must obtain from the transferor a written statement showing whether there was or was not a taxable use of the vehicle and whether there was a suspension of the highway motor vehicle tax in the taxable period. We estimate that there are 66,000 respondents and it will take them $\frac{1}{4}$ hour to complete the certificate. The total burden for this reporting requirement is 16,500 hours.

Reg. 41.4483-3(f).

Section 41.4483-3(f) provides that if the highway motor vehicle tax is suspended pursuant to section 41.4483-3(a), a transferor is not subject to tax if it furnishes the transferee a written statement that includes specified information including the odometer reading of the vehicle at the time of transfer. Reg. 41.6001-2. We estimate that there are 66,000 respondents and it will take them $\frac{1}{4}$ hour to complete the certificate. The total burden for this reporting requirement is 16,500 hours.

Reg. 52.4682-2(b) and -2(d).

Section 52.4682-2(b) provides that a seller must get a certificate described in section 52.4682-2(d) from the buyer in order for a sale to be free from the tax on ozone-depleting chemicals. We estimate that there are 200 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 20 hours.

Reg. 52.4682-2(b)(3) & (4).

Section 52.4682-2(b)(3) & (4) provide that manufacturers of ODCs must obtain certificates described in §§52.4682-2(d)(4) and (5) from purchasers of chemicals for use as medical sterilants. We estimate there are 100 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 10 hours.

Reg. 52.4682-5(d) & (f)(3).

Section 52.4682-5(d) & (f)(3) provides that certain purchasers for export must provide a certificate to the manufacturer of the ODC or provide their written consent to the allowance of a credit or the making of a refund. We estimate there are 500 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 50 hours.

Reg. 56.4911-10(f)(2).

Section 56.4911-10(f)(2) requires that each controlling member organization for which an expenditure test election is in effect must notify each member that it controls of its taxable year in order for the controlled organization to prepare the report required by (f)(3). We estimate that the total respondents will be 300 and the time per respondent will be 1 hour, and thus the total burden will be 300 hours.

Reg. 56.4911-10(f)(3).

Section 56.4911-10(f)(3) requires that every controlled member organization shall provide to each member of the limited affiliated group that controls its name, identification number, and the lobbying expenditures and grass roots expenditures on national legislative issues incurred by the controlled member organization. We estimate that the total respondent/recordkeepers will be 300 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 300 hours.

Reg. 53.4942(a)-3(c)(ii).

Section 53.4942(a)-3(c)(ii) requires that, in order that certain contributions by private foundations to nonoperating private foundations (or certain organizations controlled by disqualified person) constitute qualifying distributions of the donor foundations under §4942, the donor foundations must obtain records from the donee organizations. We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 100 hours.

Reg. 53.4945.

Section 53.4945 provides that in order that certain contributions by private foundations to individuals or organizations not constitute taxable expenditures under §4945, the donor foundation in some cases must obtain reports from the donees (§§53.4945-2 & -3). In addition, correction of a taxable expenditure may require a private foundation to obtain a full and complete report from the donee (§53.4945-1(d)(2)). We estimate that the total respondent/ recordkeepers will be 200 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 200 hours.

Reg. 54.4975-7(b)(9).

Section 54.4975-7(b)(9) requires that, if qualifying employer securities acquired with proceeds of an exempt loan by an ESOP are subject to a right of first refusal, the right of first refusal must lapse no later than 14 days after the security holder gives written notice to the holder of the right that an offer by a third party to purchase the security has been received. We estimate that the total respondents will be 4,000 and the time per respondent will be ½ hour, and thus the total burden will be 2,000 hours.

Reg. 54.4975-7(b)(10) and (12).

Sections 54.4975-7(b)(10) and (12) provide that a qualifying employer security acquired with the proceeds of an exempt loan by an ESOP must be subject to a put option if it is not publicly traded when distributed or if it is subject to a trading limitation when distributed. A put option is exercised by the holder notifying the employer in writing that the put option is being exercised. We estimate that the total respondents will be 4,000 and the time per respondent will be ½ hour, and thus the total burden will be 2,000 hours.

Reg. 54.4979-1(a)(3).

Section 54.4979-1(a)(3) sets forth the due date and form for payment of the 10% tax on excess contributions and excess aggregate contributions. We estimate that the total respondents, the time per respondent and the total burden is subsumed in the burden estimate for Form 5330.

Reg. 54.4979-1(a)(4).

Section 54.4979-1(a)(4) requires that an employer that maintains a simplified employee pension (SEP) that accepts elective contributions is exempt from the tax of §4979 and §1.4979-1(a)(1) if it notifies its employees of the fact and tax consequences of excess contributions within 2 and one half months following the plan year for which the excess contributions are made. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be

50 hours.

Reg. 41.6001-2.

Section 41.6001-2 provides that a state is required to receive from a vehicle registrant proof of payment of the highway motor vehicle tax, or of suspension of the tax, as a condition for issuing the registration for the vehicle. We estimate that there are 250,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 25,000 hours.

Reg. 41.6001-3.

Section 41.6001-3 provides that upon a vehicle's entry into the U.S., proof of payment of the highway use tax, or suspension of the tax, must be presented to U.S. Customs if the vehicle has a baseplate registration in a contiguous foreign country. We estimate that there are 15,000 respondents and it will take them 36 seconds to complete the documentation. The total burden for this reporting requirement is 150 hours.

Reg. 1.6011-3.

Section 1.6011-3 provides that a payee of certain gambling winnings is required to make a statement of those winnings to the payer upon request by the payer and the statement shall accompany the payer's return with respect to the payment. We estimate that the total number of respondents will be 2,250,000 and the time per respondent will be 2 minutes, and thus the total burden will be 75,000 hours.

Reg. 1.6017-1(c).

Section 1.6017-1(c) provides that in order to file a self-employment tax return, an individual must file a Form SS-5 with the IRS or Social Security Administration to obtain a Social Security Number. We estimate that the total number of respondents will be 12,500 and the time per respondent will be 5 minutes, and thus the total burden will be 1,042 hours.

Reg. 1.6031(b)-1T(a).

Section 1.6031(b)-1T(a) provides that any partnership required by §6031(a) to file a partnership return for a tax year must furnish to every person who was a partner at any time during the tax year a written statement regarding the partnership interest. A partnership is required to instead provide the statement to a nominee on behalf of a partner if the nominee has not furnished the statement to the partnership required by section 1.6031(c)-1T(a)(1). The burden estimate is reflected on Form 1065, Schedule K-1.

Reg. 1.6031(c)-1T(a)(1).

Section 1.6031(c)-1T(a)(1) provides that any person who holds, directly or indirectly, an interest in a partnership (required under section 6031(a) to file a partnership return for a tax year) as a nominee for another person at any time during the partnership tax year shall furnish to the partnership a written statement for that tax year regarding that other person. The statement is to include the names, addresses, citizenship and TINs of the nominee and

the other person. We estimate that the total respondent/recordkeepers will be 5,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 5,000 hours.

Reg. 1.6031(c)-1T(a)(3).

Section 1.6031(c)-1T(a)(3) provides that any broker or financial institution that holds an interest in a partnership through a clearing agency during the partnership tax year shall furnish to the partnership information regarding any interest in the partnership it holds for its own account during such tax year. The statement is to include such information as the name, address, citizenship and TIN of the broker or financial institution and the details of certain transactions. We estimate that the total respondent/recordkeepers will be 250 and the time per respondent/recordkeeper will be $\frac{1}{2}$ hour, and thus the total burden will be 125 hours.

Reg. 1.6031(c)-1T(e).

Section 1.6031(c)-1T(e) provides that a nominee shall retain a copy of any statement that is furnished to the partnership under this section in the nominee's records so long as the contents might become material in the administration of any internal revenue law. We estimate that the total respondent/recordkeepers will be 5,000 and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 1,250 hours.

Reg. 1.6031(c)-1T(h).

Section 301.6031(c)-1T(h) provides that a nominee who holds an interest in a partnership on behalf of another person at any time during the partnership tax year, and does not inform the partnership, and receives certain tax information from the partnership, shall furnish to that other person a written statement regarding the partnership interest, including information sufficient to file a return. We estimate that the total respondent/recordkeepers will be 500 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 500 hours.

Reg. 1.6033-3(b).

Section 1.6033-3(b) requires that a copy of the notice required by section 6104(d) (relating to public inspection of private foundations' annual returns), and proof of publication thereof, shall be filed with the annual return required by §1.6033-2(a). We estimate that the total respondent/recordkeepers will be 45,616 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 45,616 hours.

Reg. 1.6033-3(c).

Section 1.6033-3(c) requires that the foundation managers of a private foundation shall furnish a copy of the annual return required by § 033 and §1.6033-2 to the Attorney General of certain States and, upon request, shall furnish a copy of the annual return to the Attorney General or appropriate State officer of any State. The foundation manager shall also attach a copy of Form 4720, if any, filed by the foundation for the year. We estimate that the total respondent/recordkeepers will be 45,616 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 45,616 hours.

Reg. 1.6039-2(a),(b), and (c) (proposed).

Section 1.6039-2(a),(b), and (c) (proposed) provide that every corporation which transfers stock to any person after December 31, 1979, pursuant to such person's exercise of a qualified stock option or an incentive stock option, or a restricted stock option, shall furnish to such transferee for each calendar year in which such transfer occurs, a written statement containing specific information listed in this section under (b) with respect to the transfer or transfers made. In general, such statement must be furnished to any person on or before January 31, of the year following the year for which such statement is required. An extension of time may be granted. We estimate that the total respondent/recordkeepers will be 40,000 and the time per respondent will be ¼ hour, and thus the total burden will be 10,000 hours.

Reg. 301.6039E-1 (proposed).

Section 301.6039E-1 (proposed) calls for information gathering from Passport applicants and immigration ("green card") applicants. Passport applicants are required to provide tax and identifying (e.g. name, address, SSN) information to the State department on the passport application. Immigration applicants provide similar information to the INS on Treasury Form 9003. These government agencies provide the information collected to the IRS. A \$500 penalty may be imposed upon an applicant who fails to provide the required information on an application. The burden is reflected on Form 9003.

Reg. 1.6041-5.

Section 1.6041-5 provides that when a person receiving a payment described in section 6041 is not the actual owner of the income received, the name and address of the actual owner shall be furnished upon demand of the person paying the income. We estimate that the total number of respondents will be 7,500 and the time per respondent will be 5 minutes, and thus the total burden will be 625 hours.

Reg. 1.6042-4.

Section 1.6042-4 provides that payors of dividends are required to furnish written statements to a person whose TIN is shown on Form 1099. The burden is reflected on Form 1099.

Reg. 1.6044-5.

Section 1.6044-5 provides that cooperatives must furnish written statements to patrons showing payments of patronage dividends. We estimate that the total number of respondents will be 1,000 and the time per respondent will be 5 minutes, and thus the total burden will be 83 hours.

Reg. 5f.6045-1(c)(3)(i)(B).

Section 5f.6045-1(c)(3)(i)(B)(temporary) provides that information reporting is not required if a recipient of income is an exempt recipient. A broker may require the recipient of income to provide it with an exemption certificate. We estimate that the total number of respondent/recordkeepers will be 500 and the time per respondent/recordkeeper will be 2 hours, and the burden will be 1,000 hours.

Reg. 1.6045-1(g)(1).

Section 1.6045-1(g) provides that no information return is required with respect to the participation in any transaction during a calendar year of a person who furnishes during the calendar year to a broker or barter exchange a statement that such a person is an exempt foreign person. A broker or barter exchange may require the statement with respect to each transaction. If a person ceases to be exempt, he must so notify the broker. We estimate that the total respondents/recordkeepers will be 100,000 and the time per respondent /recordkeepers will be 2 hours, and thus the total burden will be 200,000 hours.

Reg. 1.6045-4(d) (2) and (3)

Section 1.6045-4(d)(2) provides that a reporting person may treat a transferor as an exempt volume transferor if, and only if, the reporting person has received a certificate of exempt status. Section 1.6045-4(d)(3) provides a description of a certificate of exempt status as an exempt volume transferor, and requires that it be submitted to the reporting person no later than the time of closing of a real estate transaction, and be retained by the reporting person for four years following the close of the calendar year in which the date of the closing occurs. We estimate that the total number of respondents will be 3,000 and the time per respondent will be 10 minutes, and thus the total burden will be 500 hours.

Reg. 1.6047-1(a)(1).

Section 1.6047-1(a)(1) requires that where a contribution is made on behalf of an owner-employee to a §401(a) qualified plan or §403(a) annuity plan, the trustee or annuity issuer must file Forms 1096 and 1099 with the IRS. The trustee or annuity issuer also provides a copy of Form 1099 to the owner-employee. The burden of this requirement is subsumed in the burden of providing Forms 1099 to the IRS.

Reg. 1.6047-1(a)(3).

Section 1.6047-1(a)(3) requires that a trustee who receives the notice required by §1.6047-1(b), described below, must in turn notify any annuity issuer from whom the trust purchases annuity contracts with contributions made on behalf of the owner-employee. We estimate that the total respondents will be 450,000 and the time per respondent will be ½ hour, and thus the total burden will be 225,000 hours.

Reg. 1.6047-1(a)(4).

Section 1.6047-1(a)(4) requires that a trustee or annuity issuer who receives the notice required by §1.6047-1(b) described below must keep records of such notice until all funds held on behalf of the owner-employee are distributed. We estimate that the total recordkeepers will be 900,000 and the time per recordkeeper will be ½ hour per year, and thus the total burden will be 450,000 hours.

Reg. 1.6047-1(b).

Section 1.6047-1(b) requires that an owner-employee notify the trustee or annuity issuer when a contribution is made on his or her behalf to a qualified plan or annuity plan. We estimate that the total respondents will be 450,000 and the time per respondent will be ½ hour, and thus the total burden will be 225,000 hours.

Reg. 1.6049-4(c)(1)(iii).

Section 1.6049-4(c)(1)(iii) provides that any person who ceases to be an exempt recipient of interest paid and original issue discount includible in gross income must notify the payor within 10 days that he or she has ceased to be exempt. We estimate that the total number of respondents will be 500 and the time per respondent will be 5 minutes, and thus the total burden will be 42 hours.

Reg. 1.6049-5 .

Section 1.6049-5 provides, in paragraphs (b), (c), (d), and (g), various situations when the holder of a tax exempt obligation must provide the payor with a written certificate of exemption. We estimate that the total number of respondents will be 3,250 and the time per respondent will be 5 minutes, and thus the total burden will be 271 hours.

Reg. 1.6049-5(b)(1) and (2).

Sections 1.6049-5(b)(1) and (2) provide that the information reporting provisions of section 6049 do not apply to interest paid to foreign persons who provide Forms 1001 (treaty exemption), 4224 (effectively connected income), or W-8 (portfolio interest). The

burden is reflected on Form 1001 and Form 4224.

Reg. 1.6049-5(b)(1), (2) and (3).

Sections 1.6049-5(b)(1),(2) and (3) provide that the holder of an obligation must provide written certification to the payor of interest or issuer of an original issue discount obligation in various circumstances. We estimate that the total number of respondents will be 25,000 and the time per respondent will be 5 minutes, and thus the total burden will be 2083 hours.

Reg. 1.6049-5(b)(3).

Section 1.6049-5(b)(3) provides that a paying agent or middleman having a contractual relationship with a foreign corporation must receive a statement either that the corporation is, and does not expect to be, engaged in a trade or business or that the interest paid by the foreign corporation would be exempt from withholding. We estimate that the total number of respondent/recordkeepers will be 200 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 400 hours.

Reg. 1.6049-5(b)(3)(iv).

Section 1.6049-5(b)(3)(iv) provides that a person paying interest within the U.S. must report unless it receives Form 1001, 4224, or W-8. The burden is reflected on Forms 1001 and Form 4224.

Reg. 1.6049-6.

Section 1.6049-6. Payors of interest and holders of obligations as to which there is attributed original issue discount are required to furnish written statements to recipients of the interest. We estimate that the total respondents will be 500,000 and the time per respondent will be 5 minutes, and thus the total burden will be 41,667 hours.

Reg. 1.6049-7(e).

Section 1.6049-7(e) provides that REMICs and issuers of collateralized debt obligations (CDOs) must provide, upon request, yearly and quarterly information to certain holders of REMIC regular interests and CDOs. The holders who may make a request include brokers and middlemen, corporations, financial institutions and institutional investors. The information provided includes the interest and original issue discount accrued on the REMIC regular interest or CDO during the relevant period, the length of accrual periods, the adjusted issue price, and the data needed to compute market discount. We estimate that the total respondent/ recordkeepers will be 4,500 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 9,000 hours.

Reg. 1.6049-7(f).

Section 1.6049-7(f) provides that anyone who under section 1.6049-7(b)(2) must file a Form 1099 with respect to a REMIC regular interest or a collateralized debt obligation (CDO), must furnish to the holder of the REMIC regular interest or the CDO a statement including the information on the Form 1099 and data needed to compute market discount.

Affected persons include REMICs, issuers of CDOs, and brokers and middlemen that hold interests in REMICs or CDOs as nominees. We estimate that the total respondent/recordkeepers will be 300 and the time per respondent/recordkeeper will be 10 hours, and thus the total burden will be 3,000 hours.

Reg. 1.6049-7(g).

Section 1.6049-7(g) provides that REMICs and issuers of collateralized debt obligations (CDOs) must set forth on the face of each certificate evidencing a REMIC regular interest or a CDO, information related to the accrual of original issue discount and the yield to maturity of the regular interest or CDO. We estimate that the total respondent/recordkeepers will be 850 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 1,700 hours.

Reg. 1.6050A-1(a).

Section 1.6050A-1(a) requires that the operator of a boat on which one or more individuals during a calendar year performed services described in section 31.3121(b)(20)-1(a) shall make an information return on Form 1099F (replaced by Form 1099 MISC) for that calendar year. The burden is reflected in the Form 1099 MISC.

Reg. 1.6050A-1(c)(1).

Section 1.6050A-1(c)(1) provides that every person filing a Form 1099F (replaced by Form 1099 MISC) under this section shall furnish to the individual whose identifying number is (or should be) shown on the form a written statement showing the information required by paragraph (a) of this section. The burden is reflected in Form 1099 MISC.

Reg. 1.6050H-1(a), (c) and (d).

Sections 1.6050H-1(a), (c) and (d) provide various situations when a recipient of mortgage interest must furnish a statement to the payor. We estimate that the total number of respondents will be 1,000 and the time per respondent will be ½ hour, and thus the total burden will be 500 hours.

Reg. 1.6050H-2(b).

Section 1.6050H-2(b) provides that an interest recipient that must file a return under this section must furnish a statement to the payor of record. We estimate that the total number of respondents will be 1,000 and the time per respondent will be ½ hour, and thus the total burden will be 500 hours.

Reg. 1.6050I-1(f).

Section 1.6050I-1(f) provides that recipients of cash in excess of \$10,000 received in a trade or business are required to furnish a written statement to persons identified on a return relating to such cash. We estimate that the total number of respondents will be 75,000 and the time per respondent will be 3 minutes, and thus the total burden will be 3,750 hours.

Reg. 1.6050I-2(d).

Section 1.6050I-2(d) provides that court clerks must furnish written statements to the payors of bail and to the U.S. Attorney for the jurisdiction in which the individual charged with a specified crime resides and for the jurisdiction in which the criminal offense occurred. We estimate that the total number of respondents will be 250,000 and the time per respondent will be 5 minutes, and thus the total burden will be 20,833 hours.

Reg. 1.6050J-1T.

Section 1.6050J-1T Q/As 36-42 provides that persons required to file returns relating to foreclosures and abandonments of securities furnish written statements to persons named in the return. We estimate that the total number of respondents will be 10,250 and the time per respondent will be 5 minutes, and thus the total burden will be 854 hours.

Reg. 1.6050K-1(c).

Section 1.6050K-1(c) provides that for each §751(a) exchange, a partnership is required to file a separate return on Form 8308. Every such partnership must furnish to the transferor and the transferee a copy of the completed Form 8308. We estimate that the total respondents/recordkeepers per year will be 400,000 and the time per respondent/recordkeeper will be 6 minutes, and thus the total annual burden will be 40,000 hours.

Reg. 1.6050K-1(d).

Section 1.6050K-1(d) provides that the transferor of any partnership interest in a §751(a) exchange must notify the partnership of the exchange in writing within a certain time period. We estimate that the total respondents/recordkeepers per year will be 200,000 and the time per respondent/recordkeeper will be 6 minutes, and thus the total annual burden will be 20,000 hours.

Reg. 1.6050L-1(d).

Section 1.6050L-1(d) provides that donees who make a return relating to the disposition of donated property must furnish a copy of the return to the donor. We estimate that the total respondents will be 1,000 and the time per respondent will be 10 minutes, and thus the total burden will be 167 hours.

Reg. 1.6050P-1(f).

Section 1.6050P-1 provides that certain financial entities report certain discharges of indebtedness of any person of at least \$600 during a calendar year to the debtor whose indebtedness is discharged. We estimate that the total number of respondents will be

1,500 and the time per respondent will be $\frac{3}{4}$ hour, and thus the total burden will be 1,125 hours.

Reg. 31.6051-1(a)(1).

Section 31.6051-1(a)(1) provides that an employer must furnish Form W-2 to employees if wages are subject to income tax withholding or would have been subject to income tax withholding if the employee had claimed no more than one withholding exemption. This burden is reflected in Form W-2.

Reg. 31.6051-1(a), (b), (c), (e), and (g).

Sections 31.6051-1(a), (b), (c), (e), and (g) provide that employers must furnish employees with written information regarding income, FICA wages, actual income tax withheld, and wages subject to income tax withholding. We estimate that the total number of respondents will be 2,250,000 and the time per respondent will be 1 hour, and thus the total burden will be 2,250,000 hours.

Reg. 31.6051-1(h).

Section 31.6051-1(h) provides that employer must furnish statement concerning earned income tax credit to any employee with respect to whom the employer paid wages but who did not have income tax withheld by the employer during the calendar year. We estimate that the total number of respondents will be 250,000 and the time per respondent will be $\frac{1}{4}$ hour, and thus the total burden will be 62,500 hours.

Reg. 31.6051-2(a).

Section 31.6051-2(a) provides that every employer who is required to make a return of tax under section 31.6011(a)-1 (relating to FICA returns), section 31.6011(a)-4 (relating to returns of income tax withheld from wages), or section 31.6011(a)-5 (relating to monthly returns) for a calendar year or any period therein shall file the Social Security Administration (SSA) copy of each Form W-2 required under section 31.6051-1 to be furnished by the employer with respect to wages paid during the calendar year. Each Form W-2 and the transmittal Form W-3 shall together constitute an information return to be filed with the SSA office indicated on the instructions to such forms. The burden is reflected on Form W-2 and Form W-3.

Reg. 31.6051-3(a), (b), and (c).

Sections 31.6051(a), (b), and (c) provide that third party payors of sick pay must furnish the payee's employer with information concerning the sick pay, and employers must include such payments on the employee's Form W-2. In certain circumstances, the third party payor instead of the employer is required to file Form W-2. The burden is reflected on Form W-2.

Reg. 1.6052-2.

Section 1.6052-2 requires that every employer who files a return under section 6052(a) and 1.6052-1 with respect to group term life insurance on the life of an employee shall furnish to the employee a written statement setting forth certain information as described

in the regulation, or alternatively by furnishing the employee a copy of the information return on Form W-2 required to be filed under section 1.6052-1. The burden under this section is contained within the burden estimate for the requirement to furnish Form W-4 under 31.3402(f)(2)-1(a).

Reg. 31.6053-1(a).

Section 31.6053-1(a) requires an employee who receives tips in the course of employment to furnish to the employer no less frequently than monthly written statements of the amount of tips received in the course of the employment by the employer. Section 31.6053-1(b) sets forth the required information. We estimate that the total respondents will be 3,618,000 and that each respondent will furnish 12 reports annually, and thus the total annual reports will be 43,416,000. We estimate that the time per report will be 10 minutes, and thus the total burden will be 7,236,000 hours.

Reg. 31.6053-2.

Section 31.6053-2 requires employers to report to employees the amount of employee FICA tax imposed by section 3101 on reported tips to the extent that the tax exceeds the amount the employer can collect from the wages paid to the tipped employee or from funds furnished to the employer by the employee. The burden required by this regulation is reflected in the burden estimates for Form W-2.

Reg. 31.6053-3(b).

Section 31.6053-3(b) requires certain large food and beverage establishments to furnish certain tipped employees with a written statement of the amount of tip income allocated to them pursuant to section 31.6053-3(d). The written statement is required to be made on Form W-2. The burden required by this regulation is reflected in the burden estimates for Form W-2.

Reg. 301.6057-1(e).

Section 301.6057-1(e) requires that each plan administrator required to file an annual registration statement must furnish each participant an individual statement describing the deferred vested retirement benefit to which the participant is entitled, and includes the information filed with respect to the participant on Schedule SSA. The burden of providing the information contained on the Schedule SSA is subsumed in the burden of providing the Schedule SSA to the IRS.

Reg. 301.6059-1(c) and (d).

Section 301.6059-1(c) and (d) require that the actuarial report filed on behalf of a defined benefit plan on Schedule B must be prepared and signed by an enrolled actuary. The burden of this requirement is subsumed in the burden of filing the Schedule B with the IRS.

Reg. 31.6091-1(d).

Section 31.6091-1 provides that whenever instructions applicable to returns require that they be filed with the Social Security Administration, the returns should be filed

accordingly. We estimate that the total number of respondents will be 1,750 and the time per respondent will be 2 minutes, and thus the total burden will be 58 hours.

Reg. 301.6104(d)-1.

Section 301.6104(d)-1 requires that the annual return which a private foundation must file under § 6033 shall be made available by its foundation manager for inspection at its principal office during regular business hours by any citizen on request made within 180 days after the publication of notice of availability of such return. Such notice shall be published not later than the day prescribed for filing such return in a newspaper having general circulation in the county in which the foundation's principal office is located. The notice shall state that the annual return is available at the foundation's principal office for inspection during regular business hours by any citizen who requests inspection within 180 days after the date of such publication, and shall state the address of the foundation's principal office and the name of its principal manager. We estimate that the total respondent/recordkeepers will be 45,616 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 45,616 hours.

Reg. 1.6107-1.

Section 1.6107-1 provides that an income tax return preparer must furnish a copy of the return to the taxpayer and must retain a copy or record. We estimate that the total number of respondents will be 15,000 and the time per respondent will be 1 hour, and thus the total burden will be 15,000 hours.

Reg. 1.6109-2.

Section 1.6109-2 provides that a tax return preparer is required to furnish the preparer's taxpayer identification number and address to the taxpayer. We estimate that the total number of respondents will be 15,000 and the time per respondent will be 1 hour, and thus the total burden will be 15,000 hours.

Reg. 301.6109-1(b).

Section 301.6109-1(b) provides that a person whose taxpayer identifying number must be included on a document filed by another person must give the number to the other person on request. We estimate that the total number of respondents will be 500,000 and the time per respondent will be 1 minute, and thus the total burden will be 8,333 hours.

Reg. 301.6109-2.

Section 301.6109-2 provides that the Secretary of Agriculture may require each applicant retail food store or wholesale food concern to disclose its employer identification number in connection with the administration of the Food Stamp Act. We estimate that the total respondents will be 10,000 and the time per respondent will be 10 minutes, and thus the total burden will be 1,667 hours.

Reg. 301.6111-1T, Q & A #41.

Section 301.6111-1T, Q & A #41, provides that, in addition to registering a tax shelter with the Service, a tax shelter organizer must furnish the tax shelter registration number to

the principal organizer (if a different person) and to any persons who the tax shelter organizer knows or has reason to know are participating in sales of interests in the tax shelter. We estimate that the total respondents/recordkeepers per year will be 5,300 and the time per respondent/recordkeeper will be ¼ hour, and thus the total annual burden will be 1,325 hours.

Reg. 301.6111-1T, Q & A ##51-54.

Section 301.6111-1T, Q & A ##51-54, provide that any person who transfers an interest in a tax shelter must furnish investors with the registration number on a written statement including certain other information. If the registration number is not furnished at the time of the transfer because the registration number has not been received by the transferor, the transferor must furnish a statement including a sentence that the registration number has been applied for. We estimate that the total respondents/recordkeepers per year will be 35,000 and the time per respondent/recordkeeper will be 6 minutes, and thus the total annual burden will be 3,500 hours.

Reg. 301.6112-1T, Q & A ##11-13.

Section 301.6112-1T (temporary) provides questions and answers on the requirement that organizers and sellers of a potentially abusive tax shelter keep lists of investors. Q & A ##11-13 deal with designating an organizer to maintain the list if there are multiple organizers. To designate an organizer, the organizers and sellers must enter into a written agreement that identifies the designated person and that is signed by all the parties. Any organizer/seller who is not a designated organizer/seller must provide certain information to investors and to the designated organizer to avoid penalties. We estimate that the total respondents/recordkeepers per year will be 100 and the time per respondent/recordkeeper will be 6 minutes, and thus the total annual burden will be 10 hours.

Reg. 301.6112-1T, Q & A #15.

Section 301.6112-1T, Q & A #15 provides that an investor who retransfers an interest in a tax shelter is not required to maintain a list disclosing a transferee's name if the investor provides certain information to the designated organizer and notice to the transferee. We estimate that the total respondents/recordkeepers per year will be 350 and the time per respondent/recordkeeper will be 6 minutes, and thus the total annual burden will be 35 hours.

Reg. 301.6223(c)-1T(d).

Section 301.6223(c)-1T(d) provides that the Service may require appropriate verification of information submitted by a person other than the tax matters partner. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 1,000 hours.

Reg. 301.6223(g)-1T(a)(1).

Section 301.6223(g)-1T(a)(1) provides that a tax matters partner must forward a copy of a notice of beginning of an administrative proceeding to each non-notice partner. Non-notice partner means a partner who has less than a one percent interest in a partnership having more than 100 partners and who does not belong to a notice group. The tax matters partner must forward the notice within 75 days after the Service mails the notice. We estimate that the total respondent/recordkeepers will be 11,500 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 34,500 hours.

Reg. 301.6223(g)-1T(a)(2).

Section 301.6223(g)-1T(a)(2) provides that the tax matters partner must forward a copy of a notice of final partnership administrative adjustment to each non-notice partner. Non-notice partner means a partner who has less than a one percent interest in a partnership having more than 100 partners and who does not belong to a notice group. The tax matters partner must forward the notice within 60 days after the Service mails the notice. We estimate that the total respondent/recordkeepers will be 11,500 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 34,500 hours.

Reg. 301.6223(g)-1T(b).

Section 301.6223(g)-1T(b) provides that the tax matters partner must furnish generally to all partners certain information concerning a partnership audit, administrative adjustment request, and petitions or appeals for judicial review. The tax matters partner must forward the information within 30 days after taking the action or receiving the information. We estimate that the total respondent/recordkeepers will be 11,500 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 34,500 hours.

Reg. 301.6223(h)-1T.

Section 301.6223(h)-1T provides that the pass-thru partner that receives any notice or information from the Service, the tax matters partner, or another pass-thru partner must forward a copy to any person holding an interest through the pass-thru partner in the

profits or losses of the partnership for the applicable partnership taxable year. The pass-thru partner must forward a copy of the notice or information within 30 days after receiving it. We estimate that the total respondent/recordkeepers will be 12,700 and the time per respondent/recordkeeper will be 3 hours, and thus the total burden will be 38,100 hours.

Reg. 31.6402(a)-2(a)(2).

Section 31.6402(a)-2(a)(2) requires an employee to submit a statement to the employer in the event the employer claims a refund of FICA employee tax paid with respect to that employee. We estimate that the total respondents will average 300 per affected employer, the number of affected employers will be 25,000, the time per respondent will be $\frac{1}{4}$ hour, and thus the burden will be 1,875,000 hours.

Reg. 301.6402-7.

Section 301.6402-7 provides that the Resolution Trust Corporation or the FDIC (the "fiduciary") can act as agent for an insolvent financial institution that is a subsidiary member of a consolidated group and file a return, claim for refund, or take certain other action with respect to the subsidiary. Under section 301.6402-7(d), the fiduciary must furnish the common parent of the consolidated group with a copy of a certain notice sent to the Service on Form 56-F, as well as copies of any claim for refund or return filed on behalf of the subsidiary and certain other information. We estimate that the total respondents/recordkeepers will be 100, and the time per respondent/recordkeeper will be $\frac{1}{4}$ hour, and thus the total burden will be 25 hours.

Reg. 48.6412-1.

Section 48.6412-1 provides that a floor stocks refund is allowed if the taxpayer receives a described consent form from its dealer. We estimate that there are 150,000 respondents and it will take them 6 minutes to complete the consent. The total burden for this reporting requirement is 15,000 hours.

Reg. 31.6413(a)-1(a)(1).

Section 31.6413(a)-1(a)(1) requires the employer to obtain a statement (receipt) from the employee in the event the employer repays erroneously collected FICA employee tax to the employee before a return is filed. We estimate that the total respondents will be 25,000 (with an average of 300 affected employees), the time per respondent will be 20 hours, and thus the burden will be 500,000 hours.

Reg. 31.6413(a)-1(a)(2).

Section 31.6413(a)-1(a)(2) requires the employer to obtain a statement (receipt) from the employee in the event the employer repays erroneously collected income tax withholding to the employee before a return is filed. The burden under this section is contained within the burden estimate for the certification requirement in 31.6413(a)-1(a)(1).

Reg. 31.6413(a)-1(b)(1).

Section 31.6413(a)-1(b)(1) requires the employer to obtain a statement from the employee in the event the employer repays erroneously collected FICA tax to the employee after a return is filed. The burden under this section is contained within the burden estimate for the certification requirement in 31.6413(a)-1(a)(1).

Reg. 31.6413(a)-1(b)(2).

Section 31.6413(a)-1(b)(2) requires the employer to obtain a statement from the employee in the event the employer repays erroneously collected income tax withholding to the employee after a return is filed but in same calendar year. The burden under this section is contained within the burden estimate for the certification requirement in 31.6413(a)-1(a)(1).

Reg. 48.6416(a)-2(b).

Section 48.6416(a)-2(b) provides that a credit or refund is allowed if, among other requirements, the manufacturer receives the written consent of the ultimate vendor. We estimate that there are 100 respondents and it will take them 6 minutes to complete the consent. The total burden for this reporting requirement is 10 hours.

Reg. 48.6416(a)-3(b).

Section 48.6416(a)-3(b) provides that a credit or refund is allowed if, among other requirements, the manufacturer receives the written consent of the ultimate vendor. We estimate that there are 100 respondents and it will take them 6 minutes to complete the consent. The total burden for this reporting requirement is 10 hours.

Reg. 48.6416(b)(2)-3.

Section 48.6416(b)(2)-3 provides that a credit or refund is allowed if, among other requirements, the manufacturer receives a described certificate of ultimate vendor or certificate of ultimate purchaser. We estimate that there are 100,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 10,000 hours.

Reg. 48.6416(b)(2)-4.

Section 48.6416(b)(2)-4 provides that a credit or refund is allowed if, among other requirements, the retailer of special fuels receives a described certificate from its buyer. We estimate that there are 10 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 1 hour.

Reg. 48.6416(b)(3)-3.

Section 48.6416(b)(3)-3 provides a description of information that a claimant must obtain to support a claim for refund of tax paid on articles used for further manufacture. We estimate that there are 400 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 40 hours.

Reg. 48.6416(b)(4)-1.

Section 48.6416(b)(4)-1 provides a description of information that a claimant must obtain to support a claim for refund of tax paid on tires used for further manufacture. We estimate that there are 200 respondents and it will take them 6 minutes to complete the statement. The total burden for this reporting requirement is 20 hours.

Reg. 48.6416(e)-1.

Section 48.6416(e)-1 provides that a refund of tax is allowed to the shipper or exporter or articles (rather than the manufacturer) if the shipper or exporter submits a waiver that the claimant received from the person who paid tax to the government. We estimate that there are 200 respondents and it will take them 6 minutes to complete the waiver. The total burden for this reporting requirement is 20 hours.

Reg. 48.6420-4(l).

Section 48.6420-4(l) provides a description of the waiver that a farmer must give an aerial applicator so that the applicator may obtain a credit with respect to gasoline used on a farm for farming purposes. We estimate that there are 10,000 respondents and it will take them 6 minutes to complete the waiver. The total burden for this reporting requirement is 1,000 hours.

Reg. 48.6420(c)-2.

Section 48.6420(c)-2 provides a description of the waiver that a farmer must give an aerial applicator so that the applicator may obtain a credit with respect to gasoline used on a farm for farming purposes. We estimate that there are 10,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this reporting requirement is 1,000 hours.

Reg. 48.6427-8.

Section 48.6427-8 provides a description of the information that an ultimate purchaser must receive from its seller so that the buyer may obtain a credit or payment with respect to diesel fuel used in certain nontaxable uses. The burden for this requirement is reflected on Forms 8849 and 4136.

Reg. 48.6427-9

Section 48.6427-9 provides a description of the information that a registered ultimate vendor must receive from its buyer so that the vendor may obtain a credit or payment with respect to diesel fuel used on a farm for farming purposes or for the exclusive use of a state or local government. The burden for this requirement is reflected on Forms 8849 and 4136. Under §48.6427-9, the governmental unit or farmer must provide the vendor with a certificate to support the claims. We estimate that there are 290,000 respondents and it will take them 6 minutes to complete the certificate. The total burden for this requirement is 29,000 hours.

Reg. 301.6724-1(f).

Section 301.6724-1(f) provides special rules for incorrect taxpayer identification numbers, including the requirement that the filer of an information return must make initial and

annual solicitations to the payee for correct information. We estimate that the total number of respondents will be 2,500,000 and the time per respondent will be 1 hour, and thus the total burden will be 2,500,000 hours.

Reg. 1.7476-1.

Section 1.7476-1 provides that a declaratory judgment petition cannot be filed unless the petitioner establishes that it complied with the requirement that interested parties be notified of the determination letter request filing. These notice rules are located at Statement of Procedural Rules §601.201(o) and §1.7476-2. The burden of this requirement is subsumed in the burden of providing a notice to interested parties under § 601.201(o)(3).

Reg. 1.7476-2.

Section 1.7476-2 provides that the notice to interested parties must comply with §1.7476-1 and the Statement of Procedural Rules §601.201(o). The burden of this requirement is subsumed in the burden of providing a notice to interested parties under §601.201(o)(3).

Reg. 1.7704-1(f)(1).

Section 1.7704-1(f)(1) provides that for a redemption or repurchase of a partnership interest to be ignored for purposes of determining whether interests in the partnership are publicly traded, the redemption or repurchase agreement must require receipt of written notification from the transferor partner by the partnership at least 60 calendar days before the redemption or repurchase date of such partner's intention to exercise the redemption or repurchase right. We estimate that the total respondents/recordkeepers will be 500 and the time per respondent/recordkeeper will be ½ hour, and thus the total burden will be 250 hours.

Reg. 1.7872-5T(b)(6).

Section 1.7872-5T(b)(6) provides that an employee must provide notice to employer that the employee reasonably expects to itemize deductions (and thus is eligible for exemption from rules that otherwise would apply to below-market employee relocation loans). We estimate that the total number of respondents will be 50,000 and the time per respondent will be 5 minutes, and thus the total burden will be 4,167 hours.

Reg. 35a.9999-3 (§7805).

Section 35a.9999-3 provides numerous requirements that a payee of reportable interest must provide a correct taxpayer identification number to the payor. We estimate that the total number of respondents will be 25,000,000 and the time per respondent will be 1 minute, and thus the total burden will be 416,667 hours.

Reg. 95a.9999-3Q&A33.

Section 95a.9999-3Q&A33 provides that to avoid information reporting on interest or OID, a foreign person must provide the payor with a statement, which may be provided on Form W-8. For payments outside the U.S. of interest or OID on a portfolio obligation by an agent of the payee, documentary evidence of the payees foreign status must be obtained.

For payments of OID on obligations with maturities of 6 months or less, foreign payees must provide Form 1001. The burden is reflected on Form 1001.

Reg. 95a.9999-3Q&A34.

Section 95a.9999-3Q&A34 provides that information reporting is not required on foreign source interest made on deposits outside the U.S. by a foreign branch of a U.S. bank if the payor has evidence in its records that the payee is neither a citizen nor a resident of the U.S. The evidence may include a written indication from the payee or an employee's affidavit, based on documentary evidence. We estimate that the total respondent/recordkeepers will be 500,000 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 1,000,000 hours.

Reg. 95a.9999-4TQ&A1, 2, and 3.

Section 95a.9999-4TQ&A1, 2, and 3 provides that information reporting under section 6045 is not required if a foreign person provides a payor with a statement, which can be provided on Form W-8, certifying that they are not a United States citizen or resident, and, in the case of an individual, have not been and do not expect to be in the U.S. for 183 days or more and are not engaged in a trade or business. For payments made by foreign branches of U.S. brokers or U.S.-related brokers, the broker must obtain documentary evidence that the payee is a foreign person. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be 4 hours, and thus the total burden will be 4,000 hours.

Reg. 95a.9999-4TQ&A3 and 5.

Section 95a.9999-4TQ&A3 and 5 provides that to avoid information reporting on interest or OID, a foreign person must provide the payor with a statement, which may be provided on Form W-8. For payments outside the U.S. of interest or OID on a portfolio obligation by an agent of the payee, documentary evidence of the payees foreign status must be obtained. For payments of OID on obligations with maturities of 6 months or less, foreign payees must provide Form 1001. The burden is reflected on Form 1001.

Reg. 95a.9999-5(a)Q&A5.

Section 95a.9999-5(a)Q&A5 provides that information reporting and backup withholding is not required on interest described in sec. 861(c) that is paid outside the U.S. on an obligation that would be registration-required but for the fact that it has a maturity of not more than one year if, among other requirements, the obligation contains a statement, described in the regulation, that by accepting the obligation the holder represents that it is not a U.S. person or acting on behalf of a U.S. person. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/recordkeeper will be 1 hour, and thus the total burden will be 50 hours.

Reg. 95a.9999-5(b)Q&A8.

Section 95a.9999-5(b)Q&A8 provides that interest on a registration required obligation qualifies as portfolio interest if the U.S. person (including a foreign paying agent of an issuer who is a U.S. person) who would be required to withhold receives a statement

described in sec. 95a9999-5(b) Q&A 9 or Q&A 14 from the beneficial owner of the obligation or a financial institution described in sec. 871(h)(5)(B). We estimate that the total respondent/recordkeepers will be 1,000,000 and the time per respondent/recordkeeper will be 4 hours, and thus the total burden will be 4,000,000 hours.

Reg. 95a.9999-5(b)Q&A9.

Section 95a.9999-5(b)Q&A9 provides that interest on an obligation may be treated as portfolio interest if the U.S. person otherwise required to withhold receives a statement from the beneficial owner that certifies, under penalties of perjury, that the owner is not a U.S. person, citizen, or resident, and which provides the name and address of the beneficial owner. The statement may be made on Form W-8. The regulation also provides rules for statements made by financial institutions with respect to portfolio interest. Persons are required to inform the U.S. person otherwise required to withhold of changes in the information contained in the statement. The statement, which may be provided on Form W-8 must be retained by the U.S. person otherwise required to withhold. The burden estimate is reflected on Form W-8.

Reg. 95a.9999-5(b)Q&A12, 14, and 15.

Section 95a.9999-5(b)Q&A12, 14, and 15 provide that a withholding agent paying portfolio interest on foreign targeted registered obligations must receive, and maintain, a certification or documentation as described in the regulation. We estimate that the total respondent/recordkeepers will be 1,000 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 2,000 hours.

Reg. 95a.9999-5(b)Q&A13.

Section 95a.9999-5(b)Q&A13 provides that a foreign targeted registered obligation must contain a legend that it has been sold (or resold in connection with its original issuance) under procedures similar to those of Treas. Reg. 1.165-5(c)(2)(i)(A)(B). We estimate that the total respondent/recordkeepers will be 100 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 200 hours.

Reg. 95a.9999-5(b)Q&A19.

Section 95a.9999-5(b)Q&A19 provides that a statement must be provided to a U.S. withholding agent on foreign targeted registered obligations if the requirements of Treas. Reg. 95a.9999-5(b)Q&A12 have not been met. Also, the certification requirements of Treas. Reg. 95a.9999-5Q&A14 must be met. We estimate that the total respondent/recordkeepers will be 50 and the time per respondent/recordkeeper will be 2 hours, and thus the total burden will be 100 hours.

The total estimated burden for all of the requirements is 68,885,183 hours.

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 October 28, 2008, 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. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulations sunset as of the expiration date. Taxpayers are not likely to be aware that the Service 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 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.