

SUPPORTING STATEMENT
(Form W-8CE)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Required by PL 110-245, sec 301 adding Internal Revenue Code Section 877A(d)(3)(B)

2. USE OF DATA

Information used by taxpayer to notify payer of expatriation so that proper tax treatment is applied by payer. The taxpayer is required to file this form to obtain any benefit accorded by the statute.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling.

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

Meetings were held between IRS personnel and representatives

professional groups to discuss tax law and tax forms. On July 28, 2008, 5 representatives from AICPA, 4 members of Chief Counsel, and 3 members of Tax Forms & Publications (TF&P) laid the initial groundwork for the form. Counsel and TF&P have had 2 subsequent meetings and constant interaction via email and phone between August and the present. Treasury will ultimately have to approve the form. During these meetings, comments were made regarding the application of this form.

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

<u>Form</u>	<u>No. of</u>	<u>Time per</u>	<u>Response</u>
		<u>Responses</u>	<u>Total hours</u>
Form W-8CE	500	5.68	2,840

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

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

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we have determined that the cost of developing,

printing, processing, distribution and overhead for Form W-8CE is \$17,500.

15. REASONS FOR CHANGE IN BURDEN

A new Form due to P.L. 110-245 which included an addition of 15 line items, 10 code references and 500 responses. Burden hours are 2,840.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I

Not applicable.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

REASON FOR EMERGENCY APPROVAL

On June 17, 2008, Congress passed PL 110-245, which included section 301 adding a new Internal Revenue Code section 877A. Subparagraph (d)(3)(B) requires that affected taxpayers make certain representations to banks or other trustees. Because no current form accommodates this, a new form (W-8CE) was developed for this purpose.

Chief Counsel had intended to issue a Notice concerning this requirement. However, the Notice will not be issued so this form is the only vehicle to convey the new rules.

OMB EXPIRATION DATE

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

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

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

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

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