

**SUPPORTING STATEMENT
(REG-125071-06)**

13764. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The collection of information in these Final regulations is in §1.671-5. This information is required to enable unit interest holders to report, under section 671, items of income, deduction, and credit of a widely held fixed investment trust. In addition, this information will be used by the IRS to insure that those items are reported accurately by unit interest holders in these trusts.

13765. USE OF DATA

The information will be used in determining a unit interest holder's taxable income and credits and in auditing taxpayers.

13766. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We estimate that 90% of Forms 1099 required by §1.671-5 of the regulation will be filed by magnetic media.

13767. 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

The notice of proposed rulemaking (REG-209813-96) was published in the Federal Register on August 13, 1998 (63 FR 43354). A public hearing was held on November 5, 1998. REG-209813-96 was withdrawn, and a new notice of proposed rulemaking (REG-106871-00) was published in the Federal Register on June 20, 2002 (67 FR 41892). Final regulations (TD 9241), were published in the Federal Register on January 24, 2006 (71 F.R. 4001). These final regulations contained amendments to 26 CFR parts 1, 301, and 602. Final and temporary regulations (TD 9279), were published in the Federal Register on July 28, 2006, amending §1.67-5. On December 29, 2006, final regulation (TD 9308), were published in the Federal Register, removing temporary regulations and amending §1.67-5, again.

In response to the **Federal Register Notice** dated **March 5, 2009 (74 FR 9692)**, we received no comments during the comment period regarding Regulation 125071-06.

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

Under proposed §1.671-5, the trustee or the middleman who holds an interest in these trusts for an investor will be required to provide a Form 1099 to the Service and a tax information statement to the investor. The trust is also required to provide more detailed tax information to middlemen and certain other persons, upon request.

We estimate that approximately 1,200 respondents comprised of trustees and brokerage firms will be affected by these proposed regulations. As these trustees and middlemen already have an obligation to file a form (either Form 1099 or Form 1041) with the IRS, and provide tax reporting information to the actual investors, we estimate that it will take each respondent an average of an extra 2 hours to submit the more detailed and accurate information we are requesting. The total burden of this reporting requirement is 2,400 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 **March 5, 2009 (74 FR 9692)**, 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.