

**SUPPORTING STATEMENT  
(Form 8804-W)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Regulations for section 1446 require a worksheet for installment payments of section 1446 tax. Partnerships generally must make installment payments of estimated section 1446 tax if they expect the aggregate tax on the effectively connected taxable income (ECTI) that is allocable to all foreign partners to be \$500 or more.

**2. USE OF DATA**

Form 8804-W will be used in computing the installment payment of section 1446 tax based on the information available at the time of the installment payment.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

We are offering electronic filing for Form 8804-W.

**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**

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 8804-W.

In response to the Federal Register notice (74 FR 23242), dated May 18, 2009, we received no comments during the comment period regarding Form 8804-W.

**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**

List the number of responses, time per response, and total burden for each form included in the submission.  
The burden estimate is as follows:

<u>Form</u>	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 8804-W	500	63 hrs., 12 mins.	31,600

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 May 18, 2009 (74 FR 23242), 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 responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

Not applicable.

**15. REASONS FOR CHANGE IN BURDEN**

Several regulations have gone into effects that have affected this collection. Final regulations under section 6655 provide guidance with respect to estimated tax requirements. These regulations are applicable for tax years beginning after September 6, 2007. For partnerships that elect to use the annualized income installment method, extraordinary items (as defined in Regulations section 1.6655-2(f)(3)(ii)) generally must be taken into account after annualizing the effectively connected taxable income for the annualization period. Similar rules apply if the partnership uses the adjusted seasonal installment method. See the instructions for Parts II through IV. Final regulations were issued under section 1.1446-6. These final regulations address special rules to reduce a partnership's section 1446 tax with respect to a foreign partner's allocable share of effectively connected taxable income. Effective July 29, 2008, Form 8804-C, Certificate of Partner-Level Items to Reduce Section 1446 Withholding, is the sole method for foreign partners to certify partner-level items. The instructions for lines 1, 22, and 32 have been modified to reflect the reduction for state and local taxes permitted under Regulations section 1.466-6(c)(1) (iii). To accommodate these new regulations, fourteen new lines, six in Part 1, two in Part 2, and six in Part 3 and one new code reference in Part 2 were added to this collection, resulting in an increase of burden hours by 1,805 hours.

**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.

## 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.