

## **Supporting Statement (Forms 8288 and 8288-A)**

### **6648.        CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 1445 of the Internal Revenue Code requires transferees to withhold tax on the amount realized from sales or other dispositions by foreign persons of U.S. real property interests.

### **2.        USE OF DATA**

Form 8288 is used to transmit the withholding. Form 8288-A is stamped by IRS upon receipt to indicate that the withholding was received, and a copy is sent to the transferor. The transferor must attach the stamped copy to any Federal income tax return or claim for refund filed in order to get credit for the withholding.

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

Forms 8288 and 8288-A cannot be filed electronically, since their relatively low volume does not justify the cost 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**

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 Forms 8288 and 8288-A.

In response to the Federal Register notice dated June 26, 2009 (74 FR 30680), we received no comments during the comment period regarding Forms 8288 and 8288-A.

**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**

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 8288	10,000	19.29	174,900
Form 8288-A	<u>17,500</u>	3.93	<u>68,775</u>
	27,500		243,675

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0902 to these regulations.

1.1445-2(d)(2)	1.445-6(g)
1.1445-2(d)(3)(ii)	1.445-2(c)(3)
1.1445-3(b)	1.897-2(h)(2)

1.1445-3(g)

1.897-2(h)(4)

1.1445-4(a), (b)		1.1445-1(c), (d)
1.1445-5(b)(2)(ii)		1.1445-5(b)(5)
1.1445-5(c)(3)		1.897-5T(e)(1)
	(iii)	
1.1445-6(b)		1.1445-2(c)
	(3)	

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

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

As suggested by OMB, our Federal Register notice dated June 26, 2009 (74 FR 30680), 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**

The primary cost to the government consists of the cost of printing these forms. We estimate that the cost of printing the Forms 8288 and 8288-A is \$2,131.

**15. REASONS FOR CHANGE IN BURDEN**

A new code reference was added into the instructions referring the taxpayer to section 143(k)(12) which did not exist four years ago when this product was previously updated. This new code reference increased the burden by 2,000 hours.

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

Not applicable.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

See attachment.

**18. EXCEPTION 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.

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