

**SUPPORTING STATEMENT
(Form 709)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC sections 6019 and 6075 require gift tax returns and specify when they are to be filed.

Form 709 is used to report gift transfers and to compute the gift tax on the transfers.

Form 709 is also used to report direct transfers subject to the generation-skipping transfer (GST) tax and to compute the tax on those transfers.

2. USE OF DATA

IRS uses the information to collect and enforce the gift and generation-skipping transfer taxes, to verify that these taxes are properly computed, and to compute the tax base for the estate tax.

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

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 709.

In response to the **Federal Register** Notice dated July 1, 2010 (75 FR 38179), we received no comments during the comment period regarding Form 709.

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>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 709	278,500	5.78	1,609,730

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

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0020 to these regulations.

1.401-1	25.2512-2(b), (e), (f)
1.664-4	25.2512-3(a)
1.170A-12	25.2512-9(e)
1.1015-1	25.2513-3(a) & (b)
20.2031-7	25.6019-1(d)
25.2513-2	25.6161-1(b) & (c)
25.2522(c)-3	27.1-1(a)
25.252(a)-1	27.642-1(b) & (c)
25.2512-1(j)	

Recordkeeping Regulations:

1.1015-1(g)
25.6001-1

Regulations which impose no additional burden:

25.2512-5	25.6065-1
25.2513-1(c)	25.6075-1
25.6011-1	25.6081-1
25.6019-1(a) & (b)	25.6091-1
25.6019-2	25.6091-2
25.6019-3	25.6151-1
25.6019-4	26.2662-1(b)
25.6061-1	

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice dated July 1, 2010, 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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution, and overhead for Form 709 is \$257,915.

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

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.