

**SUPPORTING STATEMENT
(Form 1040-C)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 1040-C reflects IRC section 6851 and 26 CFR sections 1.6851-1 and 2. It is used by aliens who intend to depart from the U.S. to report income received or expected to be received for the entire taxable year, determined as nearly as possible by the date of intended departure.

2. USE OF DATA

The data collected is used to insure that the departing alien has no outstanding U.S. tax liability.

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 1040-C.

In response to the **Federal Register** notice (75 FR 38178), dated July 1, 2010, we received no comments during the comment period regarding Form 1040-C.

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

	Total Hours	Number of <u>Responses</u>	Time per <u>Response</u>
Form 1040-C	2,000	6.60	13,200

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 1545-0086 to these regulations.

1.6851-1
1.6851-2
1.6851-2T

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 1040-C is \$27,141.

15. REASONS FOR CHANGE IN BURDEN

The following benefits are scheduled to expire and will not be available for 2010. At the time the instructions went to print, Congress was considering legislation that would extend some of these items.

- The exclusion from income of up to \$2,400 in unemployment compensation. IRC 85(c),
- Tax-free distributions from certain individual retirement plans for charitable purposes. IRC 408(d)(8)(F)
- Deduction for educator expenses in figuring AGI. IRC 62(a)(2)(D)
- Tuition and fees deduction in figuring AGI. IRC 222(e)
- Extra \$3,000 IRA deduction for employees of bankrupt companies. IRC 219(b)(5)(C)
- District of Columbia first-time homebuyer credit (for homes purchased after 2009). IRC 1400C(i)

- Waiver of minimum required distribution (MRD) rules for IRAs and defined contribution plans. However, the waiver for 2009 MRDs applies through April 1, 2010. IRC 401(a)(9)(H)
- Government retiree credit. P.L. 111-5, Div B, sec 2202"
- Credit to holders of clean renewable energy bonds issued after 2009. IRC 54(m)
- Alternative motor vehicle credit for all qualified hybrid motor vehicles placed in service after December 31, 2009, except for passenger automobiles and light trucks with a gross vehicle weight rating of 8,500 pounds or less.
- Decreased estimated tax payments for certain small businesses. IRC 6654(d)(1)(D),
- Certain tax benefits for Midwestern disaster areas PL 110-343, sec. 702 (a)(1)(F) and 702(d)(12), PL 110-343, sec. 702(d)(14) P.L. 110-343, Div C, sections 703(d)(7) and (10) (B); (e)(1)(A), and (4).
- Itemized deduction or increased standard deduction for state or local sales and excise taxes on the purchase of certain motor vehicles. IRC 164(b)(6)(G)
- Itemized deduction for state and local general sales taxes. IRC 164(b)(5)(l).

Changes have been made to the form and instructions to comply with these expirations. The result of these changes is a decrease in the estimated number of response by 500 and a decreased in the total estimated burden by 977 hours.

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.