

SUPPORTING STATEMENT (INTL-79-91 (T.D. 8573))

CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

These regulations amend the Income Tax Regulations under sections 6035, 6038, and 6046 of the Internal Revenue Code of 1986. These amendments are to clarify the requirements of sections 1.6035-1, 1.6038-2, and 1.6046-1 of the Income Tax Regulations relating to Form 5471.

USE OF DATA

These regulations amend and liberalize certain requirements regarding the format in which information already specified in the statute and regulation is presented for purposes of Form 5471. The regulations provide that financial statement information be expressed in U.S. dollars translated according to U.S. generally accepted accounting principles and permit functional currency reporting of certain items.

USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

We have been unable to reduce burden for small businesses.

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

These regulations were published in the **Federal Register** as a Notice of Proposed Rulemaking on July 7, 1992 (57 FR 29851). No public hearing was requested and, therefore, no public hearing was held. Final regulations were published in the **Federal Register** on December 14, 1994 (59 FR 64301).

In response to the **Federal Register Notice** dated **August 23 2010 (75 FR 51882)**, we received no comments during the comment period regarding INTL 79-91 (T.D. 8573)

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 collection of information in sections 1.6035-1, 1.6038-2, and 1.6046-1 is required pursuant to sections 6035, 6038, and 6046 of the Internal Revenue Code. The burden for this requirement is reflected in the burden of Form 5471.

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 **August 23 2010 (75 FR 51882)**, 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 regulation sunsets 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.

