

**Supporting Statement**  
**(Form 8804, Schedule A (Form 8804), Form 8805 and Form 8813)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

1446 Section requires partnerships that are engaged in the conduct of a trade or business in the United States to pay a withholding tax equal to the applicable percentage of the effectively connected taxable income allocable to their foreign partners. The partnerships use Form 8813 to make payments of withholding tax to the IRS. They use Forms 8804 and 8805 to make annual reports to provide the IRS and affected partners with information to assure proper withholding, crediting to partners' accounts and compliance. Partnerships that have effectively connected taxable income (ECTI) allocable to foreign partners use Schedule A (Form 8804) to determine whether they are subject to the penalty for underpayment of estimated tax, and, if so, the amount of the underpayment penalty.

**2. USE OF DATA**

The Service uses this information to verify the income paid, that the correct amount of tax was paid to the U.S., and that affected partners receive needed data. The data is also used to make reports to foreign governments as required under the tax treaties between various foreign countries and the U.S.

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

Forms 8804, Schedule A (Form 8804), Form 8805, and Form 8813 cannot be filed electronically, since its 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 8804, 8804-(Sch A) Parts I, II, III, IV, V, VI, VII, 8805 and 8813.

In response to the **Federal Register Notice dated October 6, 2010, (75 FR 61841)**, we received no comments during the comment period regarding the forms.

**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>Form</u>	<u>Number of Hours</u>	<u>Time per Responses</u>	<u>Total Response</u>
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8804

			5,000	3.61
			18,050	
8805			30,000	2.18
			65,400	
8813			20,000	1.71
			34,200	
8804 Sch. A	500	86.26	<u>43,375</u>	
161,025				

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 October 6, 2010, (75 FR 61841)**, 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 is \$2,000.

**15. REASONS FOR CHANGE IN BURDEN**

Changes were made to Form 8804 in order to comply with regulatory requirements. For example, certain phrases were deleted on lines of the form and replaced with other language in order to comply with the regulatory guidelines of Regulation 1.1446-6. Certain lines of the form were changed at the request of the Large and Medium Size Business International Office to reflect compliance initiatives.

These changes, along with editorial and stylistic changes made to other forms and accompanying instructions in this

Information Collection, resulted in a total increase of 9,020 annual burden hours from the prior submission.

**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.