

**SUPPORTING STATEMENT  
(IRS Form 5713 and Schedules A, B, and C)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Any entity that has operation in or related to a "boycotting" country must file Form 5713. If the entity participates or cooperates with an international boycott, a portion of the following benefits may be lost: the foreign tax credit, deferral of income of a controlled foreign corporation, deferral of income of a domestic international sales corporation (IC-DISC), and deferral of income of a foreign sales corporation (FSC).

**2. USE OF DATA**

The IRS uses Form 5713 and Schedules A, B, and C to determine the number of entities that have operations in a "boycotting country," and to determine what benefits the entity will lose due to boycott participation or cooperation.

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

We are currently offering electronic filing on Form 5713.

**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 5713 and schedules.

In response to the Federal Register Notice (76 FR 30430), dated May 25, 2011, we received no comments during the comment period regarding Form 5713 and schedules.

**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:

<b>Total</b>	<b>Number of</b>	<b>Time per</b>
<b><u>Hours</u></b>	<b><u>Responses</u></b>	<b><u>Response</u></b>

Form 5713	2,400	28.37	68,088
Schedule A	27	3.57	97
Schedule B	67	7.46	500
Schedule C	<u>90</u>	9.00	<u>810</u>
	2,584		69,495

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 1545-0216 to these regulations.

7.999-1(b)  
1.999-1Q5

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

As suggested by OMB, our Federal Register notice dated May 25, 2011, 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 the form is \$360,547.

**14. REASONS FOR CHANGE IN BURDEN**

There are no changes to the forms previously approved under this approval number by OMB.

This form is being submitted for renewal purposes.

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

**Not applicable.**

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

**See attachment.**

**17. 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.**