

**SUPPORTING STATEMENT  
(Form 8848)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Foreign corporations use Form 8848 to consent to extend the time to assess the branch profits tax. This is required by Regulations section 1.884-2(a) or (c) as a prerequisite of obtaining the benefits described in those sections. These benefits are: (a) Temporary Regulations section 1.884-2T(a) - deferral of the branch profits tax on the complete termination of a foreign corporation's U.S. trade or business, and (b) Temporary Regulations section 1.884-2T(c) - avoidance of the branch profits tax in the case of a foreign corporation that transfers its U.S. assets to a domestic corporation in a transaction described in section 381(a), if the foreign corporation was engaged (or deemed engaged) in the conduct of a U.S. trade or business immediately prior to the section 381(a) transaction.

2. USE OF DATA

The IRS uses Form 8848 to allow taxpayers to claim the benefits described in Temporary Regulations sections 1.884-2T(a) and (c) and at the same time to protect the government's best interests if the taxpayer fails to comply with any other requirement necessary to obtain a benefit. These other requirements are listed in Temporary Regulations sections 1.884-2T(a)(2)(A) through (D) and Temporary Regulations section 1.884-2T(c)(6)(A) through D. Most of these other requirements have to be performed by the foreign corporation within three years after the complete termination or tax-free liquidation or reorganization (and therefore, the Government needs the foreign corporation to consent to extend the time to assess tax for at least six years).

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 8848.

In response to the **Federal Register notice dated April 19, 2011(76 FR 21945)**, we received no comments during the comment period regarding Form 8848.

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>Responses</u>	<u>Response Hours</u>	<u>Number of Time per Total</u>
Form 8848	5,000	4.50	22,500

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, **Federal Register notice dated April 19, 2011(76 FR 21945)**, 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

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$470.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. This form is being submitted 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.