

**Supporting Statement  
(Form 1099-R)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code sections 6047(d), and 408(i), and Temporary Regulations section 35.3405-1 require a report to be filed by trustees of pensions, annuities, and IRAs to advise IRS of any distributions made from the plans. Regulation section 1.6047-1 designates Form 1099 as the form to use for this purpose.

**2. USE OF DATA**

IRS uses the data to verify that taxable payments from these plans are reported on the recipients' income tax returns.

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

We are currently offering electronic filing for Form 1099-R.

**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 1099-R.

In response to the **Federal Register Notice dated June 24, 2011 (76 FR 37194)**, we received 1 comment during the comment period regarding Form 1099-R. This comment was forwarded to the originator of the form for response. The comment received was directed at the processing and reporting requirements of the information and the form. The burden estimates that the IRS provided or the methodology behind our computation was not directly addressed.

**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**

Form	Number of Responses	Time per Response	Total Hours
<b>1099-R</b>			<b>93,446,700</b>
			<b>.42</b>
			<b>39,247,614</b>

Estimates of annualized cost to respondents for the hour burdens shown above are not available at this time.

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0119 to these regulations.

1.6047-1(a)	1.6047-1(a)(4)
	1.408-7
1.407-7	1.402(e)-12
	35.3405-1
35.3405-1, E	1.402(e)-13
	1.402(e)-14

We have reviewed the regulations and have determined that the reporting requirements contained in them are entirely reflected on the form. The justification appearing in item 1 of the supporting statement applies both to the regulations and to the form.

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

As suggested by OMB, Our **Federal Register Notice dated June 24, 2011 (76 FR 37194)**, 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 this form. We estimate that the cost of printing the form is \$93,358.

**15. REASONS FOR CHANGE IN BURDEN**

To address inconsistencies in prior computations, changes were made to the burden which resulted in an increase of 11,213,604 burden hours. There was also an Adjustment in Agency Estimates of the number of responses for Form 1099-R.

This adjustment in the number of responses added an additional 9,329,464 burden hours, resulting in an overall increase of 20,543,068 burden hours.

**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.