

FY2012 ICB Summary of Burden

	FY 2012				
	Previously Approved FY11	Program Change due to Adjustment	Program Change due to New Legislation	Program Change due to Agency	FY12
Number of Taxpayers	146,700,000	6,500,000	-	-	153,200,000
Burden in Hours	2,701,000,000	16,000,000	(37,000,000)	-	2,679,000,000
Burden in Dollars	35,193,000,000	(673,000,000)	(418,000,000)	29,000,000	34,131,000,000

Burden increase because of change to new statute: No

Burden increase because of change due to agency discretion: Hours No and Dollars Yes

Burden increase because of adjustment in estimate: Hours Yes and Dollars No

Burden Reduction Due to:

Short Statement: The change in estimated aggregate compliance burden can be explained by three major sources - technical adjustments, statutory changes, and discretionary agency (IRS) actions.

Technical Adjustments - The largest adjustments are from incorporation of new taxpayer data, updated forecasting targets, and refinements to the estimation methodology. The incorporation of new taxpayer data to better reflect the impact of the current economic environment provides the largest adjustment.

Statutory Changes - The primary drivers for the statutory changes are credits provided in the American Recovery and Reinvestment Act (ARRA) of 2009 and implementation of new reporting requirements in the Emergency Economic Stabilization Act of 2008. The provisions listed below are more than offset by the impact of the expiring ARRA provision.

Primary examples include:

New or Changed Provisions

Capital Gains and Losses: In most cases, transactions for capital gains and losses must now be entered on the new Form 8949 and the subtotal of the sales price, basis, and adjustment amounts from Form 8949 are carried to the Schedule D. Up to six separate Forms 8949 could be required depending on the holding period of the assets, whether or not basis related to the transaction was reported by the broker, and whether a reporting document was received for the transaction. These changes were made to coincide with the new Form 1099-B basis reporting.

The number of filers affected: 21,000,000.

Alternative Minimum Tax: The AMT exemption amount was increased to \$48,450 (\$74,450 if married filing jointly or a qualified widow; \$37,225 if married filing separately).

Had this legislation not been enacted, at least 20 million additional taxpayers would have been required to file Form 6251, Alternative Minimum Tax.

Expired Provisions

The Making Work Pay Credit expired.

The number of filers who claimed this provision in 2010: 100,000,000.

IRS Discretionary Changes - IRS discretionary changes include expanded e-file availability, registration fees for paid preparers, and fees for a new competency exam for certain preparers.

Discretionary changes also include a change for the repayment of the first-time homebuyer credit. Repayment may now be made without attaching Form 5405.

The number of filers affected: 550,000.

These initiatives have a net effect of a slight decrease in time that is not shown due to rounding as well as a net effect of increasing money burden.

Total- Taken together, the changes discussed above have decreased the total reported burden by 22,000,000 hours.