

SUPPORTING STATEMENT  
(Form 5472)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

U.S. corporations that have a 25% foreign shareholder and foreign corporations that are engaged in a U.S. trade or business file Form 5472 to report information about transactions between the corporation and a related party.

2. USE OF DATA

Form 5472 is an annual information return that is filed by a 25% foreign-owned U.S. corporation or a foreign corporation engaged in a U.S. trade or business. The form requests information about transactions between the reporting corporation and foreign related parties so that the IRS can obtain sufficient information to detect and challenge abusive transactions when these transactions are used to avoid U.S. tax.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We offer electronic filing for this form.

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 5472.

In response to the Federal Register notice (77 FR 14598) dated March 12, 2012, we received no comments during the comment period regarding Form 5472.

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

	Number of <u>Responses</u>	Time per Total <u>Response</u> <u>Hours</u>
Form 5472	103,784 2,544,784	24.52

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 1545-0805 to these regulations.

1.6038A-1

1.6038A-2

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated March 12, 2012, 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 Form 5472. We estimate that the cost of printing the form is \$354.

15. REASONS FOR CHANGE IN BURDEN

There are no changes to the burden of this form from our last submission.

This submission is being made for renewal purposes.

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.