

SUPPORTING STATEMENT
(Form 8883)
OMB No. 1545-1806

20576. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 8883, Asset Allocation Statement Under Section 338, is used to report information regarding transactions involving the deemed sale of corporate assets under section 338. This includes information previously reported on **Form 8023**, Elections Under Section 338 for Corporations Making Qualified Stock Purchases. Form 8023 must still be used to make an election under 338, however, Form 8883 must also be filed to supply information relevant to the election. Form 8883 allows the timely filing of Form 8023 even if all the information required to be supplied separately on Form 8883 is not available.

20577. USE OF DATA

Form 8883 is attached to the corporation's income tax return. The information provided on Form 8883 is used to verify compliance with Section 338 and its regulations.

20578. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are preparing to offer electronic filing of Form 8883 in the future.

20579. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

20580. 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 8883.

In response to the Federal Register notice (77 FR 20694), dated April 5, 2012, we received no comments during the comment period regarding Form 8883.

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:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 8883	243	23 hrs., 41 min.	5,755

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, our **Federal Register** notice dated April 5, 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 8883. We estimate that the cost of printing the form is \$500.

15. REASONS FOR CHANGE IN BURDEN

Based upon economic and demographic trends, the IRS is projecting a 21 percent increase in the total number of expected responses that results in an 874 hour increase in the total annual burden. Total burden requested is 5,755 hours.

We are also making this submission 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.