

**Supporting Statement**  
**(Form 4876-A)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Under Code section 991, interest charge domestic international sales corporations (IC-DISCs) are not subject to income tax. Instead, the shareholders of the corporations are deemed to receive the income and are taxed on it. Section 995(f) further imposes an interest charge on any IC-DISC income that is not deemed or actually distributed by the IC-DISC. Under regulations section 1.921-1T(b), a corporation must file Form 4876-A to elect to be an IC-DISC.

**2. USE OF DATA**

IRS uses Form 4876-A to identify IC-DISCs and IC-DISC shareholders. Shareholders must report their share of IC-DISC income as it is deemed distributed or actually distributed. They must also pay an interest charge on any IC-DISC income that is deferred or accumulated by the IC-DISC.

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

We are currently offering electronic filing on Form 4876-A.

**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 4876-A.

In response to the **Federal Register Notice (77 FR 16589), dated March 21, 2012**, we received no comments during the comment period regarding Form 4876-A.

**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
4876-A			1,000
			6.36
			6,360

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

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

Please continue to assign OMB number 1545-0190 to these regulations.

1.921-1T(b)  
1.992-3  
1.992-1  
1.992-4  
1.992-2  
12.7

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

As suggested by OMB, our **Federal Register Notice (77 FR 16589), dated March 21, 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 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 \$100.

**15. REASONS FOR CHANGE IN BURDEN**

There are no changes being made to the burden at this time. We are 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. 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.