

SUPPORTING STATEMENT

1545-0747

Form 5498

IRA Contribution Information

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC section 408(i) requires trustees or issuers of individual retirement arrangements to make such reports to the Internal Revenue Service regarding accounts, contracts, or annuities as is required by regulations. Regulations section 1.408-5 establishes the filing dates and the content of Form 5498 and the information required to be included in annual reports to participants. Section 408 (o) (4) (B) requires the taxpayer to use the fair market value of the account in certain computations.

2. USE OF DATA

The information is used by the Service to verify compliance with the reporting rules and to verify that the participant has made the contribution for which he or she is taking a deduction and that no excess contributions have been made. In addition, the fair market value is used to verify that the correct taxable part of an IRA distribution has been reported.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are currently offering electronic filing for Form 5498.

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 5498.

In response to our Federal Register Notice dated March 23, 2007 (72 F. R. 13864), we received no comments during the comment period regarding Form 5498.

In response to our Federal Register Notice dated June 15, 2010 (75 FR 33885), we received no comments during the comment period regarding Form 5498.

In response to our Federal Register Notice dated May 13, 2013 (78 FR 28020), we received no comments during the comment period regarding Form 5498.

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 information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master File (BMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form	Number of	Hours per Total
		Responses
		Response
		Hours
5498		118,858,000
		.41
		48,731,780

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

The changes to the form impose no additional burden. Please continue to assign OMB number 1545-0747 to this regulation.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated March 23, 2007, 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.

In response to our Federal Register Notice dated May 13, 2013 (78 FR 28020), we received no comments during the comment period regarding Form 5498.

14. ESTIMATED ANNUAL COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for Form 5498 is \$966,959.

15. REASONS FOR CHANGE IN BURDEN

The agency updated its estimated number of responses based on its most recent data (114,900,000 to 118,858,000), increasing the overall annual burden hours by 1,622,780 (47,109,000 to 48,731,780).

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB DATE IS INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the statutes/regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTION TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I

Note: The following paragraph applies to all 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 U.S.C. 6103.