

**SUPPORTING STATEMENT  
(Form 1099-B)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

IRC section 6045 and the regulations there under require brokers to submit an information return (Form 1099-B) to report the gross proceeds from transactions, and barter exchanges to submit an information-return with respect to exchanges of property or services.

**2. USE OF DATA**

The form will be used by IRS to verify compliance with the reporting rules and to verify that the recipient has included the proper amount of income on his or her return.

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

We are currently offering electronic filing on Form 1099-B.

**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 1099-B.

In response to the **Federal Register** Notice (78 FR 36828), dated June 19, 2013, we received no comments during the comment period regarding Form 1099-B.

**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**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the " Filing Information Return Electronically (FIRE)" and "Service Center Recognition Image Processing System". The Privacy Act System of Records Notice (SORN) has been issued for this system under IRS 22-061-Individual Master File Taxpayer Services; IRS 24.030-Customer Account Data Engine Individual Master File; IRS 24.046-Customer Account Data Engine Business Master File; and IRS 34.037-IRS Audit Trail and Security Records System. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

Name, SSN, TIN, and address are collected as authorized by 26 USC 6109.

## 12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Annual Responses and Burden with Changes:

	Current	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	117,611, 875	0	0	0	0	117,611,875
Annual IC Time Burden (Hour)	49,396,988		+9,408,950	0	0	39,988,038
Annual IC Time Per Response	.42	+.8	0	0	0	.34

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

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0715 to these regulations.

1.6045-1(a)(15)

1.6045-1(g)

5f.6045-1

35a.9999-3, Q/A 89

We have reviewed the above regulations and have determined that the reporting requirements contained in them are entirely reflected on Form 1099-B. The justification appearing in item 1 of the supporting statement applies to both these regulations and to Form 1099-B.

## 13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice dated June 19, 2013, 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 1099-B. We estimate that the cost of printing the form is \$175,046.

**15. REASONS FOR CHANGE IN BURDEN**

Treasury Regulations 1.6045-1(a)(15); there was a program change initiated by Treasury, Income Tax Withholding, to add three lines to the form because several states have requested boxes for reporting withholding of state income tax. To provide additional information to recipients and Internal Revenue Service, two more lines were added for stock or other applicable symbol's for the stock/security and the quantity of shares sold. We are making this submission to renew the OMB approval.

**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.

### **OMB EXPIRATION DATE**

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.