

SUPPORTING STATEMENT  
TD 9114  
REG 107186-00

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This document contains final regulations relating to the voluntary electronic furnishing of statements on Forms W-2, Wage and Tax Statement, under sections 6041 and 6051, and statements on Forms 1098-T, Tuition Statement, and Forms 1098-E, Student Loan Interest Statement, under section 6050S. These final regulations affect businesses, other for-profit institutions, and eligible educational institutions that wish to furnish these required statements electronically. The regulations will also affect individuals (recipients), principally employees, students, and borrowers, who consent to receive these statements electronically.

2. USE OF DATA

This information will be used to determine that the amount of tax has been calculated correctly.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Under the regulations, furnishers will (1) obtain electronic consent or confirmation of consent of the recipient to receive his or her statements electronically in a manner reasonably demonstrating that the recipient can access the electronic statement; and (2) notify recipients electronically that their statements are available on a website.

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

We are unable to reduce the burden specifically for small businesses.

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

A notice of proposed rulemaking (66 FR 10247) was published simultaneously with temporary regulations (66 FR 10247) in the **Federal Register** on February 14, 2001. Final regulation (TD 9114), were published in the Federal register on February 18, 2004 (69 FR 7567).

We received no comments during the comment period in response to the **Federal Register** notice (78 FR 19572), dated April 1, 2013.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

In general, sections 1.6041-2(a)(5), 1.6050S-1(a), 1.6050S-2(a) and 31.6051-1(j) of the regulations permit a furnisher to furnish electronic copies of Forms W-2, Forms 1098-T, and Forms 1098-E ('statements') to an individual (e.g., employee, student, or borrower) if the furnisher (i) obtains the individual's electronic consent (or electronic confirmation of consent) to receive the statement electronically, (ii) makes certain disclosures in writing (electronically or on paper) to that individual, (iii) posts the statements on a website until October 15 of the year, and (iv) sends electronic or paper notices to the recipient of the posting of the statements (and if applicable, corrected statements). A recipient must notify the furnisher of a withdrawal of consent in writing (electronically or on paper) and the furnisher must confirm the withdrawal in writing (electronically or on paper). Recipients may notify the furnishers of updated information regarding their U.S. mail or e-mail address. Furnishers will retain copies of the consents, withdrawals of consents, updated information, and the notices of posting. We estimate that furnishers,

including 15,200 employers, will ask approximately 28,449,495 individuals if they would like to receive their statements electronically instead of on paper. The burden related to each request is six minutes (which includes all of the requirements mentioned above). Thus, the total burden for this voluntary collection of information is 2,844,950 hours (0.1 hours x 28,449,495 requests = 2,844,950 hours).

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 1, 2013 (78 FR 19572), 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 ANNUAL COST TO THE FEDERAL GOVERNMENT

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. 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

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

18. EXCEPTIONS TO THE CERTIFICATION REQUIREMENT OF 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 information are confidential, as required by 26 U.S.C. 6103.