

**SUPPORTING STATEMENT
(IRS Forms W-2, W-2c, W-2AS, W-2GU, W-2VI
W-3, W-3c, W-3cPR, W-3PR, W-3SS)**

1. **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 6051 of the Internal Revenue Code requires employers to furnish income and withholding statements to employees and to the IRS. Employers report income and withholding information on Form W-2. Forms W-2AS, W-2GU, and W-2VI are variations of the W-2 for use in U.S. possessions. The W-3 series forms transmit W-2 series forms to SSA for processing. The W-2c and W-3c series are used to correct previously filed forms.

2 **USE OF DATA**

The forms provide the employee with the information needed to prepare their income tax return, and the IRS with the information necessary to reconcile employment tax returns filed by employers.

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

85% of Form W-2's are filed on magnetic tape or electronically.

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**

Small businesses should not be disadvantaged as the form has been structured to request the least amount of information and still satisfy the requirements of the statute and the needs of the Service.

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 these forms. We also solicit comments in the **Federal Register** and in our income tax packages.

In response to the **Federal Register** Notice dated April 1, 2013, (78 F. R. 19580), we received one comment during the comment period regarding W-2, W-2C, W-2AS, W-2GU, W-2VI, W-3, W-3C, W-3CPR, W-3PR, and W-SS. This comment letter supported the continued efforts and collection of the information on relating to this group of forms. It provided examples of how the information is used in the national income and product accounts (NIPAs). This letter was forwarded to the office responsible for revising these forms for any future communications.

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 reporting burden for Forms W-2/W-3 and existing regulations

associated with them is as follows:

Per instructions from OMB, one hour will be reflected in OMB's inventory for 1545-0008 because Form W-2 is a standard form used by other government agencies.

Forms	Number of Responses	Hours per Response	Total Hours
W-2	246,172,501	.50	123,086,251
W-2AS	11,229	.39	4,380
W-2c	768,545	.67	514,926
W-2GU	110,533	.41	45,319
W-2VI	61,524	.41	25,225
W-3	5,782,303	.47	2,717,683
W-3c	52,828	.86	45,433
W-3cPR	5,150	.53	2,730
W-3PR	34,613	.45	15,576
W-3SS	<u>5,895</u>	.41	<u>2,417</u>
	253,005,121		126,459,940

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

Related Regulations

31.6051-1	31.6081(a)-1(a)(3)
31.3402(o)-3(h)(3)(i)	31.3121(a)(2)-2e
31.3231(e)-(2)(e)(2)	1.117-6(e)
1.6011-1	31.6053-2
31.608(a)-19(a)(3)	31.3402(o)-3(h)(3)(r)
1.6041-2	1.6052-1
1.6052-2	1.9101
31.6051-1(a), (b), (c), (d), (f), (g)	31.6051-3(a), (b), (e)
31.6051-2(a), (b), (c)	1.117-6(d)(4)

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the Form W-2 series. The justification appearing in item 1 of the Supporting Statement applies to these regulations and to the forms. Please continue to assign OMB Number 1545-0008 to these regulations.

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

As suggested by OMB, our **Federal Register** notice dated April 1, 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 this form(s). We estimate that the cost of printing the form(s) is \$1,649,050.

15. **REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB. However, a change was made to the previous estimated number of responses by a decrease of 2,000 responses to correct previous calculations. 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.