## SUPPORTING STATEMENT (Form 1040-SS, Form 1040-PR, and Anejo H-PR) OMB # 1545-0090

# 1. <u>CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION</u>

Forms 1040-SS and 1040-PR reflect IRC 6017, 7651, 1401, 1402, and Regulations 1.6017-1. Form 1040-SS is used by self-employed individuals in the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands to report and pay self-employment tax and provide proper credit to the taxpayer's social security account. Form 1040-PR is a Spanish version of the Form 1040-SS. It is for use in Puerto Rico. Anejo H-PR is used to compute household employment taxes. Form 1040-SS and Form 1040-PR are also used by bona-fide residents of Puerto Rico to claim the additional child tax credit.

2. <u>USE OF DATA</u>

The data is used to determine whether the proper amount of self-employment tax is reported.

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

IRS Publications, Regulations, Notices, and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

# 4. <u>EFFORTS TO IDENTIFY DUPLICATION</u>

We have attempted to eliminate duplication within the agency wherever possible.

# 5. <u>METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER</u> <u>SMALL ENTITIES</u>

Not applicable.

# 6. <u>CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS</u> <u>OR POLICY ACTIVITIES</u>

Not applicable.

# 7. <u>SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE</u> <u>INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)</u>

Not applicable.

# 8. <u>CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON</u> <u>AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY</u> <u>OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS</u>

Periodic meetings are held between IRS personnel and representatives of various professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding the collection requirements under this notice.

In response to the *Federal Register* notice (79 FR 37394), dated July 1, 2014, we received no comments during the comment period regarding Forms 1040-PR, 1040-SS, and Anejo H-PR

# 9. <u>EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO</u> <u>RESPONDENTS</u>

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 "Individual Master File (IMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.030--Customer Account Data Engine Individual Master File, formerly Individual 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. 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

	Number of	Time per	Total
	<u>Responses</u>	<u>Response</u>	<u>Hours</u>
Form 1040-SS	92,000	11.47	1,055,240
Form 1040-PR	152,460	11.72	1,786,832
Form 1040(ANEXO H-PR)	2,400	2.24	5,376
	246,860	2.27	2,847,448

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0090 to these regulations:

#### 1.6011.1 1.6017-1

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 July 1, 2014, 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

After consultation with various functions within the IRS, we have determined that the cost of developing, printing, processing, distributing, and overhead for Form 1040-SS and Form 1040-PR is \$261,673.

### 15. REASONS FOR CHANGE IN BURDEN

An additional line was added to reflect the Additional Medicare Tax from Form 8959[P.L.111-148, Act Sec. 9015 (IRC section 1401(b)(2))]. This change will increase the total burden to 2,847,448 hours, which will result in a program change increase of 45,843 hours. This form is also being submitted for renewal purposes.

### 16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

# 17. <u>REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS</u> <u>INAPPROPRIATE</u>

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the information collection will 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 OMB approval expires.

# 18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

Not applicable.

<u>Note:</u> 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.

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