

**SUPPORTING STATEMENT**  
**OMB 1545-0238**  
**(Form W-2G)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

IRC sections 6041, 3402(q), and 3406 require the reporting of, and the withholding of tax on, certain gambling winnings. Regulations section 31.3402(q)-1 of the Employment Tax Regulations names Form W-2G as the reporting vehicle. The tax is withheld by the payers of gambling winnings.

**2. USE OF DATA**

The form is used by IRS to verify compliance with the reporting rules and to verify that the recipient of the gambling winnings has properly reported them on his or her tax return.

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

We are currently offering electronic filing for Form W-2G.

**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 W-2G.

In response to the **Federal Register Notice** dated **September 19, 2014 (79 FR 56435)**, we received no comments during the comment period regarding Form W-2G.

**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**

This information collection contains the following PII: SSN.

The collection and use of SSNs is necessary and the agency complies with the requirements in Section 7 of the Privacy Act. Section 7 of the Privacy Act says that no federal, state, or local government agency can require someone to give out their Social Security number in order for the individual to receive any right, benefit, or privilege provided by law. Section 7 of the Privacy Act does not apply to any disclosure that is required by a federal statute. In addition, 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.

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Combined Annual Wage Reporting" (CAWR) system.

Systems of Records Notice (SORN):

- 1 Treasury/IRS 22.061 Individual Return Master File (IRMF)
- 2 Treasury/IRS 24.046 CADE Business Master File (BMF)

- 3 Treasury/IRS 24.047 Audit Underreporter Case File
- 0 Treasury/IRS 34.037 IRS Audit Trail and Security Records System
- 1
- 4 Treasury/IRS 36.003 General Personnel and Payroll Records

The Internal Revenue Service, Treasury published its inventory of Privacy Act systems of records on August 10, 2012, beginning at 77 FR 47930.

The Department of Treasury PIAs can be found at:  
<http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>

The Internal Revenue Service PIAs can be found at:  
<http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

<u>Form</u>	<u>Number of</u>	<u>Time per Responses</u>	<u>Response</u>
		<u>Total hours</u>	
Form W-2G	10,499,700	.41	4,304,877

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0238 to these regulations.

31.3402(q)-1	7.6041-1
1.6011-3	35a.9999-3 Q/A-19

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

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

As suggested by OMB, our **Federal Register Notice** dated **September 19, 2014 (79 FR 56435)**, 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.

**14. ESTIMATED ANNUALIZED 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 the Form is \$31,667.

**15. REASONS FOR CHANGE IN BURDEN**

The change in burden is due to changes to the form, and an increase in the number of expected filers.

We added four boxes (State Winnings, Local Winnings, Local Income Tax withheld, and Name of Locality) at the request of TIGERS (Tax Information Group for E-Commerce Requirements Standardization) and the e-Channel Support, e-Initiatives Group.

We made minor editorial changes to the three unnumbered boxes with information about the PAYER.

The three unnumbered boxes with information about the WINNER is reformatted to correspond to boxes on the Forms 1099.

We are deleting the "VOID" boxes from Copy B and Copy C.

We added text to the right column of Copy B: "This information is being furnished to the Internal Revenue Service."

On copies B and C (recipient copies), the outline of box 4 is changed to a bold line and the box heading, "Federal income tax withheld" is changed to boldface.

In the Instructions for Payer, under "Foreign winner," we are deleting the reference to the 30% withholding rate to be consistent with the Forms 1099.

The additional boxes should provide more information for the winner and make it easier to comply with state/local tax requirements.

The additional boxes are generally uniform with layout of similar forms.

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

Not applicable.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

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.

**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.