

Supporting Statement
OMB 1545-0795
(Form 8233)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 1441 of the Internal Revenue Code requires that 30 percent of amounts paid to a nonresident alien individual as compensation for independent personal services (services performed where there is no employer-employee relationship) be withheld by the person paying the amount (the withholding agent) to the individual. Form 8233 is used by a nonresident alien individual to claim exemption from withholding on compensation for independent personal services (under section 1441 and its regulations), if the exemption is based on a tax treaty to which the United States is a party (a "U.S. tax treaty"). The Service has expanded the use of the form to nonresident alien students, teachers, and researchers to claim exemption from withholding on compensation for dependent personal services (where there is an employer-employee relationship) that is wholly or partially exempt from taxation under a U.S. tax treaty. In all cases, the form is completed by the nonresident alien individual claiming exemption and presented to the withholding agent for review. If the withholding agent accepts Form 8233, the withholding agent certifies on the same form and forwards it to the Director, Office of International District Operations (Assistant Commissioner (International)).

2. USE OF DATA

Form 8233 is used to determine if exemption from withholding is warranted. It is used both by the withholding agent to make an initial finding as to whether the exemption is warranted, and then by the IRS to verify that the withholding agent's finding is correct. If the exemption from withholding is not warranted, the IRS will so notify the withholding agent, who must begin withholding the tax.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission.

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 8233.

In response to the **Federal Register Notice dated September 19, 2014, (79 FR 56436)** we received no comments during the comment period regarding Form 8233.

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 "International National Standard Application System (INTL NSA).

Systems of Records Notice (SORN):

- 1 IRS 34.037--IRS Audit Trail and Security Records System
- 2 IRS 42.001--Exam Administrative Files
- 3 IRS 42.021--Compliance Returns and Project Files

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 Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
8233	75,617	9.05	684,334

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

We have reviewed the following regulations and have determined that the reporting requirements contained in them are entirely reflected on the form(s). The justification appearing in item 1 of the supporting statement applies both to these regulations and to the form(s). Please continue to assign OMB number 1545-0795 to these regulations.

1.1441-2	1.1441-5	1.1462-1
1.1441-3	1.1441-6	1.1465-1
1.1441-3(e)12	1.1441-7	1.871-6
1.1441-4	1.1461-1	301.7605-1
1.1441-4(b)	1.1461-2	301.7701-16
1.1441-4(b)2	1.1461-3	

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register Notice dated September 19, 2014, (79 FR 56436)**, 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

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$624.

15. REASONS FOR CHANGE IN BURDEN

There is a decrease of 635,660 hours in the paperwork burden previously approved by OMB due to a decrease in the number of expected filers.

This form is also being submitted for renewal purposes only.

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, at 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.

18. EXCEPTION 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.

