

SUPPORTING STATEMENT
T.D. 8851

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 6046A of the Code requires certain United States persons who acquire or dispose of an interest in a foreign partnership, or whose interest changes substantially, to file a return.

Section 6046A requires the filing of a return by a United States person to report (1) any acquisition or disposition of an interest in a foreign partnership only if the person holds at least a 10-percent interest in the foreign partnership either before or after the acquisition or disposition, or (2) a change in the person's proportional interest in the foreign partnership only if the change is equivalent to at least a 10-percent interest in the partnership.

The final regulations require the filing of a return on Form 8865, Information Return of U.S. Persons With Respect To Certain Foreign Partnerships, with respect to a "reportable event." The regulations define a reportable event to mean (1) an acquisition of at least a 10-percent interest, (2) a disposition of at least a 10-percent interest, or (3) a change of at least 10 percent in a proportional interest. If certain conditions are met, the final regulations eliminate the filing requirement for certain partners in order to prevent duplicative filing requirements. Form 8865 generally must be filed with the income tax return for the taxable year in which the reportable event occurs.

2. USE OF DATA

This information is required by the IRS to identify United States persons with significant interests in foreign partnerships and to ensure the correct reporting of items with respect to these interests.

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. 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 OF 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 was published in the **Federal Register** on September 9, 1998 (63 FR 48154). A public hearing on the proposed regulations was held on November 10, 1998. The final regulations were published in the Federal Register on December 28, 1999 (64 FR 72555).

We received no comments during the comment period in response

to the **Federal Register Notice dated September 11, 2014 (79 FR 54348)**).

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and 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 related to this request, through Form 8865, as part of the "Business Master File (BMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Internal Revenue Service PIAs can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

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

Section 1.6046A-1 requires the filing of a return on Form 8865, Information Return of U.S. Persons With Respect To Certain Foreign Partnerships, with respect to a reportable event. The burden of complying with the reporting requirement will be reflected on Form 8865.

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 requested by OMB, our **Federal Register notice dated September 11, 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 cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED 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 leading taxpayers to believe that the regulation sunsets on 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 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.