

**SUPPORTING STATEMENT**  
**(Form 5498-QA, ABLE Account Contribution Information)**  
**(Form 1099-QA, Distributions from ABLE Accounts)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

IRS section 529A requires an information return to be filed for contributions to Achieving a Better Life Experience (ABLE) savings accounts. P.L. 113-295, ABLE Act of 2014 allows individuals and families to save for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life by establishing and achieving a better life experience (ABLE) savings account. Form 5498-QA, ABLE Account Contribution Information and Form 1099-QA, Distributions from ABLE Accounts and these separate instructions will provide issuers the necessary information for completing, furnishing, and filing the forms for the ABLE account.

The Form 5498-QA and Form 1099-QA are ("furnished") by the state, agency or instrumentality operating the program to the individual and filed with the IRS. It will be the States responsibility to gather this information from the individual and then report it to the IRS annually.

**2. USE OF DATA**

IRS uses the information to verify compliance with the reporting rules and to verify that the recipient has included the proper amount of income on his or her income tax return.

The IRS will use Form 1099-QA Distributions from ABLE Accounts, to identify officers or employees, or the designee of an officer or employee, having control of a qualified ABLE account and/or who made a distribution from the qualified ABLE account.

Form 5498-QA, ABLE Account Contribution Information should be filed with the IRS by May 31, 2016, for each person to verify that an ABLE account was made during 2015.

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

2016 Form 5498-QA and 1099-QA are electronically enabled.

**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**

There are no small entities affected by this collection.

6. **CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

If IRS did not collect this information, it could not be determined if the program was established by a state, an agency, or instrumentality; for which a person can make a contribution and benefit for that taxable year.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances reporting data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

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 5498-QA and Form 1099-QA.

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

No payment or gift has been provided to any respondents.

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**

No personally identifiable information (PII) is collected.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

<u>Form</u>	<u>No. of</u>	<u>Time per</u>	<u>Responses</u>	<u>Total</u>
		<u>Response</u>		<u>Hours</u>
Form 5498-QA				10,000
				.19
Form 1099-QA	10,000	.17	1,700	1,900
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	20,000		3,600	

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

There are no start-up costs associated with this collection.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

We estimate that the cost of printing these forms is \$2,000.

**15. REASONS FOR CHANGE IN BURDEN**

P.L. 113-295, ABLE Act of 2014 allows individuals and families to save for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life by establishing and achieving a better life experience (ABLE) savings account. Form 5498-QA, ABLE Account Contribution Information and Form 1099-QA, Distributions from ABLE Accounts and these separate instructions will provide issuers the necessary information for completing, furnishing, and filing the forms for the ABLE account. We ask that OMB approve the collection of information for these forms.

These two new forms will result in a program change increase of 3,600 hours,

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

There are no plans for tabulation, statistical analysis and publication.

**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.

We are requesting OMB approval for continued use of the prior version of the form(s) in this clearance package, so that late filers will have the previous versions available to them in future years. .

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions to the certification statement.

**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.