

**SUPPORTING STATEMENT
Form 8876
OMB 1545-1826**

. **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Form 8876, Excise Tax on Structured Settlement Factoring Transactions, is used to report and pay the 40% excise tax imposed under section 5891 on the factoring discount of a structured settlement transaction.

. **USE OF DATA**

The information provided on Form 8876 is used to verify compliance with Section 5891 and its regulations.

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

Currently, there are no plans to offer electronic filing for Form 8876.

. **EFFORTS TO IDENTIFY DUPLICATION**

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

. **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**

The consequence of less frequent collection on federal programs or policy activities resulting in less timely collection of the tax due under IRC Sec. 5891.

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

There are no special circumstances requiring 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 8876.

In response to the **Federal Register Notice** dated December 1, 2015 (80 FR 75173), we received no comments during the comment regarding Form 8876.

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**

A privacy impact assessment (PIA) has been conducted for information collected under this request 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 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**

The burden estimate is as follows:

Number of	Time per	Total
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	<u>Responses</u>	<u>Response</u>	<u>Hours</u>
Form 8876	100	5.60	560

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

Estimates of the annualized cost to respondents for the hour burdens shown 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 Form 8876. We estimate that the cost of printing the form is \$170.00.

15. REASONS FOR CHANGE IN BURDEN

There is no change to the burden previously approved by OMB.

This submission is for renewal purposes.

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

See attachment.

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.