

**SUPPORTING STATEMENT**  
1545-0115  
**(Form 1099-MISC)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

IRS section 6041 requires an information return to be filed for payments of \$600 or more in rents, prizes and awards (but not for services rendered), medical payments by health insurers, and nonemployee compensation. Section 6041A requires any fishing boat proceeds to be reported. Section 6050N requires royalties of \$10 or more to be reported. Section 6045(d) requires substitute payments in lieu of tax-exempt interest or dividends made by brokers to be reported. Section 4999 requires a tax on excess golden parachute payments. Form 1099-MISC is used to report all of these payments.

**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.

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

Form 1099-MISC is 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**

We have attempted to minimize burden on small businesses and other small entities.

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

This information is being reported annually. If reported less frequently, the agency could not to verify compliance with the reporting rules, nor verify that the recipient has included the proper amount of income on his or her income tax return.

**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 1099-MISC.

In response to the Federal Register Notice dated January 19, 2016(81 FR 2964), we received no comments during the comment period regarding Form 1099-MISC.

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

No payments or gifts are being provided.

**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**

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 "Filing Information Returns Electronically (Fire)" system and a Privacy Act System of Records notice (SORN) has been issued for this system. *PIA ID Number: 997.*

The PIA can be found at:

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

<u>Form</u>	<u>No. of</u>	<u>Time per</u> <u>Responses</u> <u>Response</u>	<u>Total</u> <u>Hours</u>
Form 1099-MISC			86,7
			96,9
			97
			.31
			26,9
			07,0
			70

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0115 to these regulations:

- |             |                   |
|-------------|-------------------|
| 1.6041-1(a) | 1.6041A-1         |
| 1.6041-1(d) | 1.6045-2(a)       |
| 1.6041-1(e) | 1.6045-2(f)       |
| 1.6041-1(g) | 1.6050A-1         |
| 1.6041-4(a) | 1.6050-2          |
| 1.6041-6    | 35a.9999-3 Q/A 89 |

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on Form 1099-MISC. The justification appearing in Item 1 of Supporting Statement applies both to these regulations and to Form 1099-MISC.

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

There are no estimates to annual cost burden.

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

The primary cost to the government consists of the cost of printing Form 1099-MISC. We estimate that the cost of printing the form is \$346,896.

**15. REASONS FOR CHANGE IN BURDEN**

There is an increase in the burden previously approved by OMB due to an adjustment in the number of respondents.

This submission is being made for renewal purposes.

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

There are no plans for tabulation.

**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. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions.

**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.