

SUPPORTING STATEMENT

OMB Number 1545-1851

T.D. 9083, Golden Parachute Payments

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Regulations section 1.280G-1 amends the Income Tax Regulations to disallow the deduction for certain excess parachute payments. A parachute payment is any payment in the nature of compensation, to or for the benefit of a disqualified individual, that is contingent on the change in ownership or control of a corporation and that has (together with other payments) a present value of three times the individual's base amount.

Certain payments are exempt from the definition of parachute payment including payments with respect to certain small corporations. Under 1.280G-1, Q/A-7(a), payments by a small corporation are exempt if more than 75 percent of the shareholders entitled to vote approve the payments and the shareholders who are entitled to vote receive adequate disclosure of all material facts concerning all payments.

2. USE OF DATA

This information will be used by a corporation (assuming the shareholder approval requirements have been met) to determine if payments made to a disqualified individual are exempt from the definition of parachute payment.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing. IRS publication, 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

There are no methods to minimize burden on small businesses or other small entities.

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

Consequences of less frequent collection on federal programs or policy activities would result in an increase in payments made to a disqualified individual who is exempt from the definition of parachute payment.

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

Proposed Regulations were published in the *Federal Register* on May 5, 1989 (54 FR 19390) and on February 20, 2002 (67 FR 7630). Written comments were received concerning the proposed regulations; however, no one requested a hearing. We inadvertently omitted the inclusion of the paperwork burden analysis in the NPRM. The final regulation was published in the *Federal Register* on August 4, 2003 (68 FR 45745).

In response to the *Federal Register* notice dated April 01, 2016 (81 FR 18942), we received no comments during the comment period regarding T.D. 9083.

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

Under section 1.280G-1, Q/A-7, payments by certain small corporations are not treated as parachute payments if certain shareholder approval and disclosure requirements are met. Section 1.280G-1, Q/A-7, provides that more than 75 percent of shareholders entitled to vote must approve the payments and the shareholders who are eligible to vote receive adequate disclosure of all material facts concerning all payments. The IRS estimates that the annual number of respondents will be 800; the burden per respondent will be 15 hours, and that the estimated annual reporting burden will be 12,000 hours.

This disclosure to shareholders is considered to be third-party disclosure burden.

TD	Shareholders/ Responses	Time per response	Total Burden hours
TD 9083	800	15 hrs.	12,000

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no capital/ start-up/ or ongoing operation/ maintenance costs associated with this information collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no estimated annualized cost to the federal government.

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

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

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 by leading taxpayers to believe that the regulations sunset as of 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

There are no exceptions to the certification statement for this collection.

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.