

**OMB control number 1545-1144**  
**SUPPORTING STATEMENT**  
**(Form 706-GS(D))**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

IRC section 2601 imposes a tax on certain generation-skipping transfers. IRC sections 2602-2663 establish complex rules for computing the tax. Form 706-GS(D) is used to compute and report the tax due on distributions from trusts. The distributee is liable for filing the return and paying the tax. The distributee will file a single Form 706-GS(D) annually and will report on it all taxable distributions from any trust received during the year. An individual will not file Form 706-GS(D) for any year in which he/she received no taxable distributions.

The trustee of the trust making the distribution must provide the distributee with most of the information necessary to complete Form 706-GS(D). The trustee will use Form 706-GS(D-1), Notification of Distribution From a Generation-Skipping Trust, to provide this information.

**2. USE OF DATA**

IRS will use the information on Form 706-GS(D) to enforce the GST tax provisions of the Internal Revenue Code to verify that the taxes have been properly computed. IRS also will use the information on Form 706-GS(D) to prepare a quadrennial Statistics of Income report to the public.

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

Low filing volume does not justify the cost of electronic enabling.

**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**

With a less frequent collection, the IRS will not be able to use the information on Form

706-GS(D) to enforce the GST tax provisions of the Internal Revenue Code, nor to verify that the taxes have been properly computed.

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 706-GS(D).

In response to the Federal Register Notice dated May 5, 2016 (81 FR 27191), we received no comments during the comment period regarding Form 706-GS(D).

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

[A privacy impact assessment \(PIA\) has been conducted for information collected under this request as part of the “Returns Inventory and Classification System \(RICS\)” and a Privacy Act System of Records notice \(SORN\) has been issued for this system under IRS 34.047-IRS Audit Trail and Security Records System; IRS 24.046, BMF. IRS PIAs can be found at: <https://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**

The burden estimate is as follows:

Form	<u>Total Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
706-GS(D)	1,000	.98	980

The following regulations impose no additional burden. Please continue to assign OMB number 1545-1144 to these regulations.

26.2662-1(b) 20.6018-4

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

There is no estimated total annual cost burden to respondents.

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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution, and overhead for Form 706-GS(D) is \$1,692.

**15. REASONS FOR CHANGE IN BURDEN**

There are no changes being made to this form at this time. We are making this submission to renew the OMB approval.

**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 ON OMB FORM 83-I**

There are no exceptions.

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.