

Supporting Statement
Forms 13920 - Directed Withholding and Deposit Verification
&
Form 13930 - Central Withholding Agreement
OMB # 1545-2102

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 1441(a) of the Internal Revenue Code of 1986 requires all persons having the control, receipt, custody, disposal, or payment of certain items of income from sources within the United States of any nonresident alien individual, to deduct and withhold from such income a tax equal to 30 percent thereof. These persons are withholding agents. The income items subject to this withholding include, but are not limited to, interest, dividends, rent, salaries, wages, compensations, remunerations, and emoluments.

If the individual wishes to have a Central Withholding Agreement (CWA), this instructs him how to make his application for consideration. IRC Section 1441(a) requires withholding on certain payments of Non Resident Aliens (NRAs). Section 1.1441-4(b)(3) of the Income Tax Regulations provides that the withholding can be considered for adjustment if a CWA is applied for and granted.

2. USE OF DATA

Form 13930 will be used by CWA Tax Specialists to determine whether a CWA is appropriate in the taxpayer's situation. Form 13920 is used by withholding agents to verify to IRS that required deposits were made and give the amount of such deposits.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to 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

There are no small entities affected by this collection.

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

If the IRS did not collect this information, the IRS would not be able to determine whether a CWA is appropriate in the taxpayer's situation nor would IRS be able to verify that required deposits were made and give the amount of such deposits.

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 various professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding the collection requirements under section 1441(a), through Forms 13920 and 13930.

In response to the Federal Register notice dated May 5, 2016, (81 FR 27196), we received no comments during the comment period regarding Forms 13920 and 13930.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

	Number of Responses	Time per Response	Total Hours
Form 13930	2,300	4 hours	9,200
Form 13920	<u>8,100</u>	20 minutes	<u>2,700</u>
Total	10,400		11,900

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

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

There are no known annualized costs 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 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

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form sunsets 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.