

Supporting Statement

U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests and Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests Forms 8288 and 8288-A OMB Control Numbers 1545-0902

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 1445 of the Internal Revenue Code requires transferees to withhold tax on the amount realized from sales or other dispositions by foreign persons of U.S. real property interests. Form 8288 is used to transmit the withholding. Form 8288-A is stamped by IRS upon receipt to indicate that the withholding was received, and a copy is sent to the transferor. The transferor must attach the stamped copy to any Federal income tax return or claim for refund filed in order to get credit for the withholding.

2. USE OF DATA

This withholding serves to collect U.S. tax that may be owed by the foreign person.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Forms 8288 and 8288-A cannot be filed electronically, since their relatively low volume does not justify the cost 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

The information must be collected to ensure that tax is being withheld on the amount realized from sales or other dispositions by foreign persons of U.S. real property interests. The consequences are that the IRS will have to spend more taxpayer assistance resources to collect this data through other means. This will compromise the Agency's ability to enforce tax compliance. Tax compliance is a vital part of the government's ability to meet its' mission and serve the public.

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 Forms 8288 and 8288-A.

In response to the *Federal Register* notice dated May

30, 2016 (81 FR 42792), we received no comments during the comment period regarding Forms 8288 and 8288-A.

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. Privacy Act System of Records notice (SORN) has been issued for these systems under: Treas/IRS 24.046 BMF Treas/IRS, and 34.037 Audit Trail and security records system. The Internal Revenue Service PIA's 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

Estimated Number of Respondents: 27,500.

Total Estimated Time: 243,675 hours.

Estimated Time per Respondent: 8.86 hours.

Total Estimated Out-of-Pocket Costs: \$2.2

million.

Estimated Out-of-Pocket Cost per Respondent: \$80.

Note: Out-of-pocket costs include money spent on paid preparer fees, tax preparation software, tax planning, postage, etc.

Burden estimates for business filers (i.e. partnerships, corporations) are being reported and are approved 1545-0123. The estimate of burden that is being reported under 1545-0902 reports only the burden imposed on all other filers (i.e. trusts and estates).

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-0902 to these regulations:

1.1445-2(d)(2)	1.445-6(g)
1.1445-2(d)(3)(ii)	1.445-2(c)(3)
1.1445-3(b)	1.897-2(h)(2)
1.1445-3(g)	1.897-2(h)(4)

1.1445-4(a), (b)		1.1445-1(c), (d)
1.1445-5(b)(2)(ii)		1.1445-5(b)(5)
1.1445-5(c)(3)		1.897-5T(e)(1)
	(iii)	
1.1445-6(b)		1.1445-2(c)
	(3)	

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated June 30, 2016, requested public comments on estimates of vices to provide information. However, we did not receive any response from taxpayers on this subject.

Estimated Number of Respondents: 27,500.
 Total Estimated Time: 243,675 hours.
 Estimated Time per Respondent: 8.86 hours.
 Total Estimated Out-of-Pocket Costs: \$2.2 million.
 Estimated Out-of-Pocket Cost per Respondent: \$80.

Note: Out-of-pocket costs include money spent on paid preparer fees, tax preparation software, tax planning, postage, etc.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing these forms. We estimate that the cost of printing the Forms 8288 and 8288-A is \$2,131.

15. REASONS FOR CHANGE IN BURDEN

There are no changes 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 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, 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. EXCEPTION 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.

