

**OMB Control Number 1545-1566**  
**Supporting Statement**  
**(Notice 2010-46)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Notice 2010-46 provides administrative relief in the form of transition rules that will apply during the time beginning on the effective date of new § 871(l) until regulations are issued. The transition rules provide that the maximum aggregate U.S. gross-basis tax due, if any, with respect to a series of Securities Lending Transactions and any related dividend payment is the amount determined by the tax rate paid by the foreign taxpayer (other than in the case of a Qualified Securities Lender that is obligated to make an offsetting substitute dividend payment) bearing the highest rate of U.S. gross-basis tax in the series. Accordingly, the aggregate U.S. gross-basis taxes paid in such transactions generally should not exceed the 30 percent statutory rate applicable to U.S.-source dividends paid to foreign persons.

2. USE OF DATA

The collection of information will be used by withholding agents to determine whether a substitute dividend payment may be made without collecting and depositing additional and excessive U.S. withholding tax.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission.

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

We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure taxpayers are complying with the laws, and to allow us to figure and collect the right amount of tax.

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

Notice 2010-46 solicit comments from the general public and was published in the Internal Revenue Bulletin on June 14, 2010 (2010-24 IRB 757).

In response to the *Federal Register* notice dated June 14, 2016 (81 FR 38774), we received no comments during the comment period regarding Notice 2010-46.

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

This information collection contains no Personally Identifiable Information (PII).

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Part III.C of Notice 2010-46 permits certain securities lenders in a securities lending transaction to provide a withholding agent with an annual certification indicating that it substantially complies the definition of a Qualified Securities Lender (as defined in Part II.A.i of the Notice) and that it will withhold and remit or pay the proper amount of U.S. gross-basis tax with respect to substitute dividend payments it makes or receives. We estimate that this requirement will affect

6,000 respondents per year, and take 0.167 hours each for reporting and 0.167 hours for recordkeeping, for a total of 2,000 hours.

		<b>Respondents</b>	<b>Time/Respondent</b>	<b>Total Hours</b>
Reporting	Notice 97-66	6,000	.167 hrs.	1,000 hours
Recordkeeping	Notice 2010-46	6,000	.167 hrs.	1,000 hours
<b>Total</b>				<b>2,000 hours</b>

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

The collection of information does not require a form. Therefore, the estimated annualized cost to the government is minimal or none.

15. REASONS FOR CHANGE IN BURDEN

There is a change in the burden previously approved by OMB, because the provisions in Notice 97-66 were transition rules that are no longer applicable.

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

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.