

SUPPORTING STATEMENT

U. S. Business Income Tax Return

OMB#1545-0123

Forms: 1065, 1065-B, 1066, 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-S, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, 1120-RIC, 1120-POL and related attachments.

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

These forms are used by businesses to report their income tax liability. The data is used to verify that the items reported on the forms are correct, and also for general statistics use.

As is done with the individual tax form burden estimates (Forms 1040, 1040-EZ, 1040-A, 1040-X and 1040-NR), clearance for the burden estimate will be requested retroactively, and is sought on an annual basis instead of on the regular 3-year PRA cycle. Doing so ensures that new and updated business forms can be made available for use on a timelier basis.

A list of forms related to OMB 1545-0123 is provided below. Forms that are used by other tax filers (e.g., individuals, tax-exempt organizations) are marked with an asterisk (*). These forms will continue to report burden for other taxpayers under separate OMB numbers.

IRC sections 6011 and 6012 of the Internal Revenue Code requires businesses to prepare and file income tax returns. These forms are used by businesses to report their income tax liability.

Form 1065 and related schedules, are used for reporting the income of every domestic partnership (syndicates, groups, pools, joint ventures, etc. and every foreign partnership doing business in the U.S. or receiving income from U.S. sources). IRC Sec. 6031; Reg-Sec. 1.761-1(a)(2)(IV)(a); 1.6031-1; 1.6033-1(a)(5); Separate Instructions.

Form 1065 Schedule B-1 is used by partnerships to provide the information applicable to certain entities, individuals, and estates that own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership.

Form 1065 Schedule C is used to provide answers to additional questions for filers of Schedule M-3 (Form 1065), Net Income (Loss) Reconciliation for Certain Partnerships.

Form 1065 Schedule D is used to report sales/exchanges of capital assets, capital gain distributions, and nonbusiness bad debts that are not specially allocated to partners.

Form 1065 Schedule K-1 is used for reporting the distributive share of a partnership income, credits, etc.

Form 1065 Schedule M-3 is filed by all partnerships with total assets of \$10 million or more on

Form 1065, Schedule L, Line 14, column (d).

Form 1065-B is an information return used to report the income, deductions, gains, losses, etc., from the operation of an electing large partnership as defined in section 775

Form 1065-B Schedule K-1 is used to report a partner's share of the partnership's income, credits, deductions, etc.

Form 1065-X is used (by entities not filing electronically) to correct items on a previously filed Form 1065, Form 1065-B, or Form 1066; or to make an administrative adjustment request for a previously filed Form 1065, Form 1065-B, or Form 1066.

Form 1066 is used to report the income, deductions, and gains and losses from the operation of a real estate mortgage investment conduit (REMIC). In addition, the form is used by the REMIC to report and pay tax on net income from prohibited transactions.

*Form 1066 Schedule Q is used to by real estate mortgage investment conduits (REMICs) to notify the residual interest holders of their share of the REMIC's quarterly taxable income (or net loss), excess inclusion, and section 212 expenses.

Form 1118 is used to compute the amount of foreign tax credit claimed on corporation income tax returns.

Form 1118 Schedule I is used by corporations claiming a credit for any tax paid or accrued on foreign oil and gas extraction to determine any reduction in the amount of the credit.

Form 1118 Schedule J is used by Corporations claiming foreign tax credit to compute adjustments to separate limitation income (losses) and year-end account balances.

Form 1118 Schedule K is used to reconcile the corporation's prior year foreign tax carryover with its current year foreign tax carryover.

Form 1120 and related forms are used to report the income, gains, losses, deductions, credits, and to figure the income tax liability of a corporation. Also see Publication 542, Corporations, for more information.

Form 1120, Schedule B is used to provide answers to additional questions for filers of Schedule M-3 (Form 1120), Net Income (Loss) Reconciliation for corporations With Total Assets of \$10 Million or More.

Form 1120, Schedule D is used by corporations to report sales and exchanges of capital assets and gains on distributions to shareholders of appreciated capital assets.

Form 1120, Schedule G is used to provide information applicable to certain entities, individuals, and estates that own, directly, 20% or more, or own, directly, 50% or 50% or more of the total

voting power of all classes of the corporation's stock entitled to vote. more of the total voting power of all classes of the corporation's stock entitled to vote.

Form 1120, Schedule H is by Personal service corporations (PSCs) that elected to have a tax year other than a calendar year use Schedule H to report if they met the minimum distribution requirement and, if not, the limits on deductions.

Form 1120 Schedule M-3, is required to be filed by all corporations with total assets of \$10 million or more on Form 1120, Schedule L, line 15, column (d).

Form 1120 Schedule N is used by Corporations that, at any time during the tax year, had assets in or operated a business in a foreign country or a U.S. possession may have to file Schedule N.

Form 1120 Schedule O is used by a controlled group of corporations filing Form 1120 or other corporate return to consent to an apportionment plan and allocated income, taxes, and other items.

Form 1120 Schedule PH is used to compute Personal Holding Company tax.

Form 1120 Schedule UTP is used to provide information about tax positions that affect the U. S. federal income tax liabilities of certain corporations that issue or are included in audited financial statements and have assets that equal or exceed \$100 million.

Form 1120-F Schedule H, is used by a foreign corporation that files Form 1120-F to report the amount of the foreign corporation's deductible expenses that are allocated and apportioned under Regulations sections 1.861-8 and 1.861-17 and Temporary Regulations section 1.861-8T between ECI and non-ECI.

Form 1120-F Schedule I is used by foreign corporations to document allocation of interest expense in satisfaction of requirements of Regulations section 1.882-5.

Form 1120-F Schedule M-1 & Schedule M-2 are used to provide analysis information on how foreign corporation's net income (loss), and retained earnings reported on its books differ from figures reported on Form 1120-F return.

Form 1120-F Schedule M-3 is used by filers of Form 1120-F with total assets of \$10 million or more would file Schedule M-3 (Form 1120-F) for the purpose of providing detailed information on differences between income per books and income per tax return.

Form 1120-F Schedule P is used by foreign corporations to disclose foreign partner interests in partnerships; documenting compliance with requirements of IRC sections 705 and 702, and Regulations section 1.884-1(d)(3).

Form 1120-F Schedule S is used by foreign corporations to claim an exclusion of income under section 883 and to provide reporting information required by the section 883 regulations.

Form 1120-F Schedule V is used to report required information for each vessel or aircraft with respect to which the corporation is subject to the 4% rate of tax on U.S. Source Gross Transportation Income (USSGTI) under section 887.

Form 1120-FSC Schedule P is used to figure the allowable transfer price to charge or the allowable commission to pay a foreign sales corporation under the administrative pricing rules.

Form 1120-IC DISC is an information return filed by interest charge domestic international sales corporations (IC-DISCs), former DISCs and former IC-DISCs.

Form 1120-IC DISC Schedule K is a shareholder's statement of IC-DISC distribution.

Form 1120-IC DISC Schedule P is attached to Form 1120-IC-DISC to show the computation of IC-DISC taxable income used in computing: (1) the transfer price from a related supplier to an IC-DISC (Part II) or (2) the IC-DISC commission from a related supplier (Part III).

Form 1120-IC DISC Schedule Q is used by IC-DISC corporations to certify that the borrower is in compliance with the rules for producer's loans.

Form 1120-C is used by Cooperative Associations to report income, gains, losses, deductions, credits, and to figure the income tax liability of subchapter T cooperatives.

Form 1120-F is used to report the income, gains, losses, deductions, credits, and to figure the U.S. income tax liability of a foreign corporation.

Form 1120-H, homeowners association uses Form 1120-H as its income tax return to take advantage of certain tax benefits that, in effect, allow it to exclude exempt function income from its gross income.

*Form 1120-ND is used by nuclear decommissioning funds to report contributions received, income earned, administration expenses, and the tax on modified gross income. It is also sometimes used to report and pay the section 4951 taxes on self-dealing.

Form 1120-S, Corporations that elect to be S corporations use Form 1120-S to report income, deductions, gains, losses, etc.

Form 1120-S Schedule D is used to report sales or exchanges of capital assets and gains on distributions to shareholders of appreciated capital assets.

Form 1120-S Schedule K-1 is used to report shareholders' pro rata shares of the corporation's income, credits, deductions, etc.

Form 1120-S Schedule M-3 must be filed by corporations with total assets of \$10 million or more on the last day of the tax year.

Form 1120-SF is used to report transfers received, income earned, deductions claimed, distributions made, and the income tax liability of a designated or qualified settlement fund.

Form 1120-FSC is used to report the income, deductions, gains, losses, credits and tax liability of a foreign sales corporation.

Form 1120-L is used to report the income, gains, losses, deductions, credits, and to figure the income tax liability of life insurance companies.

Form 1120-L, Schedule M-3 is used to reconcile financial statement net income (loss) with taxable income reported on Form 1120-L. It must be filed by life insurance companies with total assets of \$10 million or more, and may be voluntarily filed by life insurance companies that are not otherwise required to file Schedule M-3 (Form 1120-L).

Form 1120-PC is used to report the income, gains, losses, deductions, credits, and to figure the income tax liability of insurance companies, other than life insurance companies.

Form 1120-PC Schedule M-3 is used to reconcile financial statement net income (loss) with taxable income reported on Form 1120-PC. It must be filed by non-life insurance companies with total assets of \$10 million or more, and may be voluntarily filed by non-life insurance companies that are not otherwise required to file Schedule M-3 (Form 1120-PC).

Form 1120-REIT is used to report the income, gains, losses, deductions, credits and to figure the income tax liability of real estate investment trusts (REIT) as defined in section 856.

Form 1120-RIC Annual return of tax payable on or before the 15th day of the 3rd month following the close of company's taxable year. Used with Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains. Prescribing instructions: IRC Sec. 52(b)(3)(d)(iv); Regs. Sec. 1.852-9.

Form 1120-POL is used by Political organizations and certain exempt organizations to report their political organization taxable income and income tax liability.

Form 1120-W is used by a corporation to assist the corporation in determining its tax liability and required installment payments.

Form 1120-X is used to amend a previously filed Form 1120 or 1120-A to make certain elections after the prescribed deadline.

Form 1122 is an authorization by a subsidiary to be included in consolidated return and consent to the consolidated regulations.

Form 1125-A is used by filers of Form 1120, 1120-C, 1120-F, 1120-S, 1065, or 1065-B, to calculate and claim a deduction for Costs of Goods Sold.

Form 1125-E is used by filers of Form 1120, 1120-C, or 1120-F, or 1120-RIC, whose gross

receipts are \$500,000 or more, if claiming a deduction for compensation of officers.

*Form 1127 is used to request extension of time to pay taxes. The conditions under which extensions may be granted under Section 6161 of the Internal Revenue Code are printed on the reverse of the application.

*Form 1128 is used to adopt, change or retain a certain tax year.

Form 1138 is used by a corporation expecting a net operating loss for the current year to request an extension of time for payment of tax for the immediately preceding tax year.

Form 1139 is used to apply for a quick refund of taxes from: carryback of a net operating loss, net capital loss, unused general business credit, or an overpayment of tax from a claim of right adjustment.

*Form 11-C is used by Principals or agents who accept taxable wagers to register certain information and pay the occupational tax.

Form 2220 is used by corporations, certain tax-exempt organizations, and private foundations to determine whether they are subject to the penalty for underpayment of estimated tax and, if so, the amount of the penalty.

Form 2438 is used by regulated investment companies or real estate investment to figure income tax on certain undistributed capital gains.

Form 2553 is filed by qualifying small business corporations and limited liability companies to make the election prescribed by Sec. 1362.

*Form 2848 is used to authorize a person eligible to practice before the IRS to represent you before the IRS.

*Form 3115 is used to request a change in either an overall accounting method or the accounting treatment of any item.

*Form 3468 is used to claim the investment credit, which includes rehabilitation, energy, qualifying advanced coal project, qualifying gasification project, and qualifying advanced energy project credits.

*Form 3520 is used to report certain transactions with foreign trusts, and receipt of certain large gifts of bequests from certain foreign persons.

*Form 3800 is used to claim any of the general business credits.

*Form 4136 is used by Taxpayers (other than partnerships that are not electing large partnerships) to claim a credit for certain nontaxable uses or sales of fuel during the tax year.

*Form 4255 is used by Taxpayers who dispose of (or whose property ceases to be) investment credit property before the end of the useful life used in computing the investment credit, to figure the increase in tax for the recapture of investment credit claimed.

Form 4466 is used by corporations that overpaid their estimated tax for the year to apply for a quick refund. The overpayment must be at least \$500 and at least 10% of the expected tax liability.

*Form 4562 is used to claim a deduction for depreciation or amortization, to make the section 179 election to expense certain property, and to provide information on the business/investment use of cars and other listed property.

Form 4626 is used to figure the alternative minimum tax (AMT) under section 55 for a corporation that is not exempt from the AMT.

*Form 4684 is used as a guide for reporting gains and losses resulting from casualties and thefts.

*Form 4797 is used to report the details of gains and losses from the sale, exchange, involuntary conversion (from other than casualty or theft loss), or disposition of the following: property used in your trade or business, depreciable or amortizable property, capital and non-capital (other than inventory) assets held in connection with the trade or business, or capital assets not reported on Schedule D.

*Form 4810 is prepared by a fiduciary representing a dissolving corporation or a decedent's estate to request a prompt assessment of tax.

Form 4876-A is used to elect to be treated as an interest charge domestic international sales corporation (IC-DISC) .

Form 5452 is used if the corporations made non dividend distributions to their shareholders under section 301, section 1368 (c)(3) or section 1371.

Form 5471 is used to satisfy the reporting requirements of section 6038 and 6046.

Form 5471, Schedule J is used by filers of Form 5471 to report accumulated Earnings and Profits (E&P), in functional currency, computed under sections 964(a) and 986(b).

Form 5471, Schedule M is used by U.S. persons who had control of a foreign corporation for an uninterrupted period of at least 30 days to report certain transactions that occurred during the corporation's annual accounting period.

Form 5471 Schedule O is used by certain officers, directors, and shareholders of foreign corporations to report reorganization and acquisition/disposition of its stock.

Form 5472 is used to provide to provide required information under sections 6038A and 6038C for reportable transactions that occur during the tax year with a foreign or domestic related party.

*Form 56 is used by persons acting as a fiduciary to notify IRS of the creation or termination of the fiduciary relationship.

*Form 56F is used to notify the IRS of a fiduciary relationship only if that relationship is with respect to a financial institution (i.e., a bank or a thrift).

*Form 5713 is used by persons having operations in or related to countries which require participation in or cooperation with an international boycott, to report these operations.

*Form 5713, Schedule A is used by persons who participated in or cooperated with an international boycott to figure the international boycott factor to use in figuring the loss of tax benefits.

*Form 5713, Schedule B is used by persons who participated in or cooperated with an international boycott to specifically attribute taxes and income in order to figure the loss of tax benefits.

*Form 5713, Schedule C is used to compute the loss of tax benefits from participation in or cooperation with an international boycott.

*Form 5735 used to figure the American Samoa economic development credit under section 30A. The credit is generally allowed against income tax imposed by Chapter 1.

*Form 5884 is used to claim the work opportunity credit for the first year wages paid to or incurred for targeted group employees (including Hurricane Katrina employees) during the tax year.

*Form 5884-B is used for a new hire retention credit up to \$1,000.00 is allow for each retained worker. A retained worker generally is a qualified employee whose first 52 consecutive weeks of employment ended in the current tax year.

*Form 6198 is used by individuals, estates, trusts, and certain corporations to figure the profit (loss) from an at-risk activity, the amount at risk, and the deductible amount of the loss.

*Form 6478 is used to figure the biofuel producer credit for the tax year in which the sale or use occurs.

*Form 6627 is used to figure the environmental tax on petroleum, ODCs, imported products that used ODCs as materials in the manufacture or production of the product, and the floor stocks tax on ODCs.

*Form 6765 is used to figure and claim the credit for increasing research activities.

*Form 6781 is used to report gains and losses on section 1256 contracts under the mark-to-market rules and under section 1092 from straddle positions.

*Form 7004 is used to request an automatic 6-month extension of time to file certain business income tax, information and other returns shown on the form.

Form 8023 is used by purchasing corporations to elect section 338 treatment for the qualified stock purchase of another (target) corporation.

Form 8050 is used to request that the IRS deposit a corporate income tax refund (including a refund of \$1 million or more) directly into an account at any U.S. bank or other financial institution (such as a mutual fund or brokerage firm) that accepts direct deposits. It is also used to request an electronic funds transfer of an income tax refund to the corporation's bank account for a corporation filing Form 1120, 1120-A or 1120s.

*Form 8082 is used when a Taxpayer reports an item on a K-1 differently that is shown on the K-1.

*Form 8275 is used to disclose items or positions, except those taken contrary to a regulation, that are not otherwise adequately disclosed on a tax return to avoid certain penalties.

* Form 8275R is used to disclose positions taken on a tax return that are contrary to Treasury regulations, to avoid certain portions of the accuracy-related penalty, if the return position has a reasonable basis.

*Form 8283 is used to claim a deduction for a charitable contribution of property or similar items of property, the claimed value of which exceeds \$500.

*Form 8288 is used to report and transmit the amount withheld by buyers or transferees of U.S. real property interests, and a corporation, partnership, or fiduciary required to withhold tax.

Form 8288 B is used to apply for a withholding certificate to reduce or eliminate withholding on dispositions by foreign persons of U.S. real property interests.

*Form 8300 is used by persons who, in the course of their business, receive more than \$10,000 in cash in one transaction or in related transactions to report information on the transaction(s).

Form 8300 (SP) is used by persons who, in the course of their business, receive more than \$10,000 in cash in one transaction or in related transactions to report information on the transaction(s). (Spanish)

*Form 8302 is used to request an electronic funds transfer of an income tax refund of \$1 million or more to the taxpayers' bank account for a taxpayer filing Form 1045, 1139 or a tax return other than Form 1040, 1120, 1120-A or 1120-S.

*Form 8308 is used by Partnerships to report the sale or exchange of a partnership interest involving unrealized receivables or inventory items.

*Form 8329 is used by lenders of certified indebtedness amounts to provide the IRS with information regarding the issuance of Mortgage Credit Certificates (MCCs) under section 25.

*Form 8404 is used by shareholders of Interest Charge Domestic International Sales Corporations (IC-DISCs) to figure and report their interest on DISC-related deferred tax liability. Authority is Treasury reg. 1.995(f).

Form 8453-B is used to authenticate an electronic Form 1065-B, and to authorize an electronic return originator or intermediate service provider to transmit via a third party transmitter.

Form 8453-C is used to authenticate an electronic Form 1120, authorize an ERO or ISP to transmit via a third-party, and authorize a corporation's consent to direct deposit any refund or electronic funds withdrawal for payment of federal taxes owed.

Form 8453-I is used to: authenticate an electronic Form 1120-F, provide the corporation's consent to directly deposit any refund and/or authorize an electronic funds withdrawal for payment of federal taxes owed; authorize the ERO, if any, to transmit via a third-party transmitter; authorize the intermediate service provider (ISP) to transmit via a third-party transmitter if you are filing online (not using an ERO), and provide the corporation's consent to directly deposit any refund and/or authorize an electronic funds withdrawal for payment of federal taxes owed.

Form 8453-PE is used by partnerships to authenticate an electronic Form 1065, U.S. Return of Partnership's Income and authorize the intermediate service provider (ISP) to transmit via a third-party transmitter if you are filing online (not using an ERO).

Form 8453-S is used by S Corporations to authenticate an electronic Form 1120-S, U.S. Income Tax Return for an S Corporation; authorize the intermediate service provider (ISP) to transmit via a third-party transmitter if you are filing online (not using an ERO); and provide the corporation's consent to directly deposit any refund and/or authorize an electronic funds withdrawal for payment of federal taxes owed.

Form 8453-X is used to certify electronic filing of form 8871.

Form 851 is used by the parent corporation of an affiliated group to identify the parent and affiliated members, report allocated amounts of payments, and determine that each subsidiary qualifies for the affiliated group.

*Form 8586 is used by owners of qualified residential rental buildings in low-income housing projects to figure the amount of their low-income housing credit.

*Form 8594 is used by both seller and purchaser of a group of assets that makes up a trade of business to report such a sale when goodwill or going concern value attaches or could attach to such assets and if the purchasers' basis in the assets is determined by the amount paid for the assets.

*Form 8609 is used to obtain a housing credit allocation from the housing credit agency. In addition, the form contains the first-year certification completed by building owners with respect to the first year of the credit period.

*Form 8609-A must be completed by the building owner each year of the 15-year compliance period, whether or not a low-income housing credit (LIHC) is claimed for the tax year.

*Form 8611 is used by owners of residential low-income rental buildings to recapture the low-income housing credit taken in previous years due to a decrease in the qualified basis of a building or its disposition without posting a satisfactory bond.

*Form 8621 is used by direct or indirect shareholder of a passive foreign investment company or qualified electing fund each tax year in which the shareholder holds stock in a passive foreign investment company or qualified electing fund.

*Form 8621-A is used by shareholders of a former Passive Foreign Investment Company (PFIC) or a Section 1297(e)PFIC to make a late purging election under Section 1298(b)(1) to terminate their subjection to taxation under Section 1291.

*Form 8655 is used to designate a reporting agent to file certain tax returns electronically or on magnetic tape.

*Form 8693 is used by Taxpayers to post bond related to certain dispositions of residential rental buildings.

*Form 8697 is used by persons who complete long-term contracts that were accounted for using the percentage of completion or completion-capitalized cost methods to figure the interest due or to be refunded under the look-back method.

*Form 8703 is used by operators of residential rental projects to provide annual information used to determine if projects continue to be qualified residential projects under section 142(d) and whose bonds are considered exempt facility bonds.

Form 8716 is filed by business entities to elect to have a tax year other than a required tax year.

Form 8717 is used by Partnerships, S corporations, and personal service corporation to elect under section 444(a) to have a tax year other than a required tax year.

Form 8752 is used by Partnerships and S corporations that elected to have a tax year other than a required tax year to figure and report the payment required under section 7519 or to obtain a refund of net prior year payments.

Form 8804 is used by Partnerships to report the total liability under section 1446 for the partnership's tax year.

Form 8804 Schedule A is used by Partnerships that have effectively connected taxable income (ECTI) allocable to foreign partners to determine whether they are subject to the penalty for underpayment of estimated tax and, if so, the amount of the underpayment penalty.

Form 8804 Schedule W is used by Partnerships to determine their foreign partners' tax liability and their estimated tax payments.

*Form 8805 is used to show the amount of effectively connected taxable income and the tax payments allocable to the foreign partner for the partnership's tax year.

Form 8806 is to report an acquisition of control or a substantial change in the capital structure of a domestic corporation.

Form 8810 is used by closely held C corporations and personal service corporations that have passive activity losses and/or credits.

Form 8813 is used to pay the withholding tax under section 1446 to the United States Treasury.

Form 8816 is used by insurance companies that elect to take an additional deduction under section 847.

*Form 8819 is used to elect the U.S. dollar as the functional currency of an eligible qualified business unit (QBU), as defined in Regulations Section 1.985-2(b)(1).

*Form 8820 is used to claim an orphan drug credit.

Form 8822-B is used by business taxpayers to report a change of address or business location.

*Form 8824 is used to report each exchange of business or investment property for property of a like kind.

*Form 8825 is used to report income and deductible expenses from rental real estate activities, including those that flow through from partnerships, estates, or trusts.

*Form 8826 is used by eligible small businesses to claim the disabled access credit, a part of the general business credit.

Form 8827 used by corporations to figure the minimum tax credit, if any, for alternative minimum tax incurred in prior tax years and to figure any minimum tax credit carryforward.

*Form 8832 is used by eligible entities to choose how they are classified for Federal tax purposes: as an association taxable as a corporation or as a partnership, or as an entity inseparable from its owner.

*Form 8833 is used to make the treaty-based return position disclosure.

*Form 8835 is used to claim the renewable electricity, refined coal, and Indian coal production credit. The credit is allowed only for the sale of electricity, refined coal, or Indian coal produced in the United States or U.S. possessions from qualified energy resources at a qualified facility.

*Form 8838 is used by U.S. transferors that entered into a gain recognition agreement under section 367(a) and 367(e)(2).

Form 8842 is used by corporations to elect one of the two annualization options that can be elected under section 6655(e)(2)(C) to figure the corporation's estimated tax payments under the annualized income installment method.

*Form 8844 is used by employers to claim the empowerment zone and renewal community employment credit.

*Form 8845 is used by Employers of American Indians who are qualified employees to claim the Indian employment credit.

*Form 8846 is used by certain food and beverage establishments to claim a credit for social security and Medicare taxes paid or incurred by the employer on certain employees' tips.

*Form 8858 and schedules are used by certain U.S. persons that own a foreign disregarded entity (FDE) directly or, in certain circumstances, indirectly or constructively. The Form and schedules are used to satisfy the reporting requirements of sections 6011, 6012, 6031, and 6038, and related regulations.

*Form 8858 (Sch M) is used by certain U.S. persons that are required to file Form 5471 with respect to a CFC or Form 8865 with respect to a CFP, that is a tax owner of an FDE, such as Category 4 filers of Form 5471, and Category 1 filers of Form 8865, must file Schedule M.

*Form 8864 is used to claim the biodiesel and renewable diesel fuels credit.

*Form 8865 is used to report the information required under section 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting acquisitions, dispositions, and changes in foreign partnership interests).

*Form 8865, Schedules K-1, O, and Schedule P are used to report the information required under section 6038, section 6038B, or section 6046A.

*Form 8866 is used by taxpayers who depreciated certain property using the income forecast method (generally limited to motion picture films, video tapes, sound recordings, copyrights, books and patents) to figure the interest due or to be refunded under the look-back method.

Form 8869 is used by a parent S corporation to elect to treat one or more of its eligible subsidiaries as a qualified subchapter S subsidiary (QSub).

Form 8871 is used by political organizations to notify the IRS that the organization is to be treated as a tax-exempt section 527 organization.

Form 8872 is used by political organizations must use to report certain contributions received and expenditures made after July 1, 2000 (unless otherwise excluded).

*Form 8873 is used to figure the amount of extraterritorial income excluded from gross income for the tax year.

*Form 8874 is used to claim the new markets credit for qualified equity investments made in qualified community development entities (CDEs).

Form 8875 is used by a corporation (other than a REIT or an ineligible corporation) and a REIT to jointly elect to have the corporation treated as a taxable REIT subsidiary under section 856(l).

*Form 8878-A is used by persons authorized to sign an electronic funds withdrawal authorization and an electronic return originator (ERO) to use a personal identification number (PIN) to authorize an electronic funds withdrawal of the balance due on an electronic Form 7004.

Form 8879-B is used by an electronic return originator (ERO) and a general partner or limited liability company member manager when the general partner or limited liability company member manager wants to use a personal identification number (PIN) to electronically sign an electing large partnership electronic income tax return, and, if applicable, consent to electronic funds withdrawal.

Form 8879-C is used by a corporate officer and an electronic return originator when the corporate officer wants to use a PIN to electronically sign a corporation's electronic income tax return.

Form 8879-I used by foreign corporations to facilitate use of a corporate officer's PIN to electronically sign an electronically transmitted Form 1120-F.

Form 8879-PE is used by an electronic return originator (ERO) and a general partner or limited liability company member when the general partner or limited liability company member wants to use a personal identification number (PIN) to electronically sign a partnership's electronic income tax return.

Form 8879-S is used by an electronic return originator (ERO) and a corporate officer when the corporate officer wants to use a personal identification number (PIN) to electronically sign a corporation's electronic income tax return, and if applicable, consent to electronic funds withdrawal.

Form 8881 is used to claim the credit f under section 45E or qualified startup costs incurred in establishing or administering an eligible employer plan.

*Form 8882 is used by employers to claim the credit for qualified childcare facility and resource and referral expenditures.

*Form 8883 is used to report information about transactions involving the deemed sale of corporate assets under Section 338.

*Form 8886 is used to disclose participation in reportable transactions by taxpayers as described in regulations 1.6011-4.

Form 8893 is used by small partnerships electing the unified audit and litigation procedures as set forth in Section 6231(a)(1)(B)(ii).

Form 8894 is used by small partnerships revoking a prior election of the unified audit and litigation procedures as set forth in Section 6231(a)(1)(B)(ii).

*Form 8896 is used to claim the credit for qualified low sulfur diesel fuel production costs.

*Form 8900 is used to claim the railroad track maintenance credit (RTMC) with respect to qualified railroad track maintenance expenditures (QRTME) paid or incurred during the tax year.

*Form 8902 is used by qualifying vessel operators (defined below) who are making an alternative tax election under section 1354(a) or who have made such an election previously.

*Form 8903 is used by corporations, individuals, partners (including partners of electing large partnerships), S corporation shareholders, estate and trusts, beneficiaries of estates and trusts, cooperatives and patrons of cooperatives to calculate and report the domestic production activities deduction.

*Form 8906 is used to claim the distilled spirits credit,

*Form 8907 is used to determine the amount of credit that can be claimed for the production and sale of qualified nonconventional source fuel.

*Form 8908 is used to claim a credit for each qualified energy efficient home sold or leased to another person during the tax year for use as a residence.

*Form 8909 is used by manufacturers of qualified energy efficient appliances (eligible dishwashers, clothes washers, and refrigerators (discussed below)) to claim the energy efficient appliance credit.

*Form 8910 is used to figure your credit for alternative motor vehicles you placed in service during your tax year.

*Form 8911 is used to figure your credit for alternative fuel vehicle refueling property placed in service during the tax year.

*Form 8912 is used to claim the credit for holding tax credit bonds.

Form 8916 is a required attachment to the Form 1120, 1120-L, or 1120-PC Schedule M-3 for certain filers referred to as mixed groups. It provides a reconciliation of the Schedule M-3 for Form 1120, 1120-L or 1120-PC with the corresponding consolidated Form 1120, Form 1120-L, or Form 1120-PC.

Form 8916-A is used to provide a detailed schedule of the amounts reported on the applicable Schedule M-3 for cost of goods sold, interest income and interest expense.

*Form 8918 is used by materials advisors with respect to disclose certain information about the reportable transaction with the IRS.

*Form 8923 is used by employers of underground mines in the US to claim a credit for the cost of training employees to serve as mine rescue team members.

*Form 8925 is to report all employer-owned life insurance contracts.

Form 8926 is used to figure the amount of any corporate interest expense deduction disallowed by section 163(j).

Form 8927 is used by a regulated investment company or real estate investment trust to make a self-determination for the purpose of paying deficiency dividends.

*Form 8931 to claim the agricultural chemicals security credit.

*Form 8932 is used to claim the credit for eligible differential wage payments you made to qualified employees during the tax year.

*Form 8933 is used to claim the carbon dioxide sequestration credit.

*Form 8935 is used by airlines reporting payments made to qualified employees in settlement of certain claims made in certain bankruptcy proceedings.

Form 8935-T form is a transmittal cover sheet for transmitting Form 8935, Airline Payment Report, to the Service.

*Form 8936 is used to figure your credit for qualified plug-in electric drive motor vehicles you placed in service during your tax year.

Form 8937 is filed by an issuer of a specified security that takes an organizational action that affects the basis of that security.

*Form 8938 is filed to Report Foreign Financial Assets to comply with IRC section 6038D.

*Form 8941 is used to figure the credit for small employer health insurance premiums for tax years beginning after 2009.

*Form 8942 is used by Taxpayers to apply for credits and grants under the Qualifying Therapeutic Discovery Project (QTDP) Program.

*Form 8947 is used to report the following information for all branded prescription drugs sold by covered entities to specified government programs (or sales due to coverage under the programs) during calendar year 2010.

*Form 8949 is used to list all capital gain and loss transactions. The subtotals from this form will then be carried over to Schedule D (Form 1040), where gain or loss will be calculated in aggregate.

*Form 926 is used to report certain transfers by individuals, partnerships, corporations, or estates or trusts of tangible or intangible property to a foreign corporation as required by IRC section 6038B.

Form 966 is used by a corporation if it is to be dissolved or if any of its stock is to be liquidated.

*Form 970 is used to elect to use the last-in, first-out (LIFO) inventory method.

*Form 972 is used by a shareholder who agrees to report a consent dividend as taxable income in the form of a dividend on the shareholder's own tax return even though the shareholder receives no actual cash distribution of the consented amounts.

Form 973 is used by corporations to claim a consent deduction in their tax returns.

Form 976 is used by personal holding companies, regulated investment companies, and real estate investment trusts to claim a deficiency dividends deduction.

*Form 982 is used to determine under certain circumstances described in section 108 the amount of discharged indebtedness that can be excluded from gross income.

*Form 1000 is used by a citizen, resident individual, fiduciary, partnership or nonresident partnership all of whose members are citizens or residents in connection with interest on bonds of a domestic or resident corporation containing a tax-free covenant and issued before January 1, 1934.

*Form 1042 is used by withholding agents to report tax withheld at source on certain income paid to nonresident alien individuals, foreign partnerships, or corporations not engaged in trade or business in the United States.

*Form SS-4 is used to apply for an employer identification number (EIN), a nine-digit number assigned for tax filing and reporting purposes.

*Form SS-4PR is used by employers in Puerto Rico who have not obtained an EIN before & pay wages to one or more employee, or non-employers who are required to have a EIN number on certain returns or documents.

*Form T is used to provide information on timber accounts when a sale or deemed sale under sections 631(a), 631(b), or other exchange has occurred during the tax year.

*Form W-8BEN is used by foreign persons who are subject to U.S. tax at a 30% rate of income they receive from U.S. sources that consists of; interests, dividends, rents, royalties, premiums, annuities, compensation of services performed, substitute payments in a securities lending transactions or other fixed or determinable annual or periodical gains, profits, or income.

*Form W-8 BEN-E is used as a withholding certificate for foreign entities. The form is provided to U.S. tax payers so that the correct amount of tax (if any) is withheld or to claim exemption from withholding. Previously, entities would use Form W-8BEN for this purpose..

*Form W-8 ECI is used by Foreign persons who are generally subject to U.S. tax at a 30% rate on income they receive from U.S. sources.

*Form W-8IMY is used by foreign persons who are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of interest (including certain original issue discount (OID)), dividends, rent, premiums, annuities, compensation for or on expectation of, services performed or other fixed or determinable annual or periodical gains profits, or income.

As noted above, forms marked with an asterisk (*) are also filed by other taxpayers (e.g., individuals, tax-exempt organizations).

To prevent duplicate reporting of taxpayer burden, the following regulations should continue to be assigned to OMB 1545-0123. The burden imposed by these regulations is entirely reflected in the business estimated burden for the Forms listed above.

1.468A-3
1.468A-4
1.468A-4(d)(1)
1.468A-7
1.468A-8
1.468A-3T through 7T
1.528-8(a)
1.6011(c)
1.6012(a)
1.6012(a)(2)

1.6012(a)(3)
1.6012-2(b)
1.6012-6(b)
1.6012-2(c)(1)
1.6031-1
1.280H
All regs related to IRC sections 771-777
All regs related to IRC section 801
All regs related to IRC section 831
All regs related to IRC sections 860A – 860G
1.851-2(a)
1.856-2(b)
All regs related to IRC sections 861–897
All regs related to IRC sections 881-882
All regs related to IRC section 884
301.7701-2 and 3

2. USE OF DATA

Forms 1065, 1065-B, 1066, 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-S, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, 1120-RIC, 1120-POL and all attachments to these forms, are used by businesses to report their income tax liability. The data is used to verify that the items reported on the forms are allowable, and also for general statistics use.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Approximately 79% of this collection is filed electronically. For more information, see the OMB E-File Data in supplementary documents.

4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency by consolidating regulations and forms that are associated with the same burden estimates. We have retired 78 OMB collections.

1. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There are 10.5 million small entities affected by this collection. Flexibilities to reduce burden on small businesses is not possible due to the limited resources of small businesses to adopt a compliance process that minimizes costs.

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

Consequences of less frequent collection on federal programs or policy activities could consist of a decrease in the amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

3. 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

In response to the Federal Register Notice dated September 28, 2016 (81 FR 66743), we received several comments during the comment period regarding Forms 1120, 1120-C, 1120-F, 1120-L, 1120-REIT, 1120-RIC and 1120-S. These comment letters supported the continued efforts and collection of the information on the aforementioned forms. They provided examples of how the information is used in the national income and product accounts (NIPAs). These letters were forwarded to the office responsible for revising these forms for any future communications.

1. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

2. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

3. 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) ” , “Corporate Data Initiative (CDI)” system and Privacy Act System of Records notices (SORN) has been issued for these systems under Treasury/IRS 24.030–Customer Account Data Engine Individual Master File; Treasury/IRS 24.046-Business Master File and IRS 34.037–IRS Audit Trail and Security Records System, Treasury/IRS 42.001-Examination Administrative File; Treasury/IRS 42.021-Compliance Programs and Project Files. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>

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.

4. ESTIMATED BURDEN OF INFORMATION COLLECTION

IRS is approaching burden estimation using an approach called the Business Taxpayer Burden Model. The IRS Research burden estimation method (a.k.a, the RAS model)– represents a leading practice in burden modeling. Important features of the RAS model are listed below.

- Considers recent differences in tax population and preparation methods
- Uses taxpayer survey data used as inputs
- Is based on academic work done by leading public finance economists
- Was developed with oversight by Treasury Office of Tax Analysis
- Incorporates the four major burden drivers (taxpayer characteristics, volume of activity, data sources and technology infrastructure) related to taxpayer reporting requirements.
- Allows burden to be expressed in terms of time and out-of-pocket costs.
- Can be used to estimate and better understand the impact of legislative and administrative changes (even proposed changes) on taxpayer burden.
- Allows for analysis of differential burden across sub-populations.

Please see the supplementary documents section for the document “Business Burden Model.pdf” for additional information on development of the Business Taxpayer Burden Model, which was used to estimate burden for this collection. See also “Small Business Burden.pdf” attached for more information on how the model can be used.

Tables 1, 2, and 3 below show the burden model estimates for each of the three classifications of business taxpayers: Partnerships (Table 1), corporations (Table 2) and S corporations (Table 3). As the tables show, the average filing compliance is different for the three forms of business. Showing a combined average burden for all businesses would understate the burden for corporations and overstate the burden for the two pass-through entities (partnerships and corporations). In addition, the burden for small and large businesses is shown separately for each type of business entity in order to clearly convey the substantially higher burden faced by the largest businesses.

The data shown are the best estimates for 2016 business entity income tax returns.. Average time and money amounts are the average per taxpayer. The estimates are subject to change as new forms and data become available.

Table 1 Burden

Forms 1065, 1065-B, 1066 and all attachments

Primary Form Filed or Type of Taxpayer	Number of Returns (millions)	Average Time	Average Cost
All	3.9	290	5,700

Partnerships			
Small	3.7	270	4,400
Large*	0.2	610	29,000

Table 2 Burden

Forms: 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-POL and all attachments

Primary Form Filed or Type of Taxpayer	Number of Returns (millions)	Average Time	Average Cost
All Taxable Corporations	2.1	315	6,300
Small	2.0	280	4,000
Large*	0.1	1,250	68,900

Table 3 Burden

Forms: 1120-REIT, 1120-RIC, 1120-S, and all attachments

Primary Form Filed or Type of Taxpayer	Number of Returns (millions)	Average Time	Average Cost
All Pass-Through Corporations	4.9	245	3,500
Small	4.8	240	3,100
Large**	0.1	610	30,800

**A large business is defined as one having end of year assets greater than \$10 million.

Note: Total burden hours for OMB 1545-0123 is 2.997 billion hours. Currently we don't break out third-party disclosure (e.g., K-1s) burden. Rather, it is included in the reporting and recordkeeping burden shown below. The 2.997 billion estimated burden hours are allocated between the reporting of information of 2.01 billion and record keeping of 989.2 million.

5. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

Estimated Number of Respondents: 10,900,000.

Total Estimated Time: 2.997 billion hours.

Estimated Time per Respondent: 275 hours.

Total Estimated Out-of-Pocket Costs: \$52.56 billion.

Estimated Out-of-Pocket Cost per Respondent: \$4,822.

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 burden estimation methodology relies on surveys that measure time and out-of-pocket costs that taxpayers spend on pre-filing and filing activities. The methodology establishes econometric relationships between tax return characteristics and reported compliance costs.

The methodology controls for the substitution of time and money by monetizing time and reporting total compliance costs in dollars. This methodology better reflects taxpayer compliance burden, because in a world of electronic tax preparation, time and out-of-pocket costs of \$48.5million are governed by the information required rather than the form on which it is ultimately reported.

15. REASONS FOR CHANGE IN BURDEN

Data from the new Business Taxpayer Burden Model (BTBM) revise the estimates of the levels of burden experienced by business taxpayers when complying with the federal tax laws. The BTBM's approach to measuring burden focuses on the characteristics and activities of business taxpayers rather than the forms they use. Key determinants of taxpayer burden in the model are the type of entity, total assets, total receipts, and activities reported on the tax return (income, deductions, credits, etc.).

The 2.997 billion estimated burden hours are allocated between the reporting of information of 2.01 billion and record keeping of 989.2 million. The increase in total annual burden is reflective of the increased number of respondents of 600,000 from the previous approval of this collection. The increases have been included in Tables 1, 2, and 3 in Question 12 above.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

The intent of this collection is to collect data in areas of income, gains, losses, deductions, credits, and to figure the income tax liability of a business taxpayer.

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. EXCEPTIONS 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.

