

SUPPORTING STATEMENT
OMB #1545-0112
Interest Income
(Form 1099-INT)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC section 6049 requires payers of interest of \$10 or more to file a return showing the aggregate amount of interest paid to a payee. Regulations sections 1.6049-4 and 1.6049-7 require Form 1099-INT to be used to report this information. IRC section 6041 and Regulations section 1.6041-1 require persons paying interest (that is not covered under section 6049) of \$600 or more in the course of their trades or businesses to report that interest on Form 1099-INT.

We have reviewed the following regulations and have determined that the reporting requirements contained in them are entirely reflected on Form 1099-INT. This justification applies to both these regulations and to Form 1099-INT.

1.6041-1	31.6051-4
1.6041-7(a)	31.6302(c)-1
1.6041-7(b)	31.6413(a)-3
1.6049-4	35a.3406-2(c)
1.6049-5	35a.3406-2(g)
1.6049-7	35a.3406-2(k)(2)(c)
1.67-3T	35a.9999-3, Q/A 89
1.860D-1	LR 233-82
1.860F-4	LR 244-82
31.3406(a)(b)(c)(d)(e)(g)(h)	LR 289-82
31.6011(a)-10	

2. USE OF DATA

IRS uses the form to verify compliance with the reporting rules and to verify that the recipient has included the proper amount of interest on his or her income tax return.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 1099-INT is electronically enabled.

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 Internal Revenue Service (IRS) did not collect this information, the IRS will not be able to verify compliance with the reporting rules and to verify that the recipient has included the proper amount of interest on his or her income tax return.

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 1099-INT.

In response to the **Federal Register** notice dated November 10, 2016 (81 FR 79095), we received no comments during the comment period regarding Form 1099-INT.

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

There is no personally identifiable information (PII) collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form	Number of Responses	Time per Response	Total Hours
1099-INT	140,555,000	.33	46,383,150
1099-INT (Box 5)	<u>1,000,000</u>	.02	<u>20,000</u>
Total	141,555,000		46,403,150

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

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$405,852.

15. REASONS FOR CHANGE IN BURDEN

Based on estimated filing figures, the number of responses has decreased by 101,981,300 (243,536,300 to 141,555,000). This change results in a burden decrease of 33,653,829 hours.

New box 10 for reporting market discount and new box 11 for

reporting bond premium (renumbered prior 10 and 11)(TD 9616 made changes to Treas. Regulations 1.6045-1 to include basis reporting by broker transactions involving debt instruments and options).

Also, two new boxes were added to the form. New Box 12 is reserved for future developments and box 13 is for Tax-exempt bond premium (TD 9616 and letter dated January 27, 2014, from the Securities Industry and Financial Markets Association (SIMFA).

We also added a check box to indicate that there is a FATCA filing requirement regarding information reported on the form. (P.L. 111-147, Section 501 and email from FATCA team via section chief 6/9/2014.)

These changes will result in a program change increase of 16,977,541 hours.

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 would cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers may not be aware that the IRS 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 ON OMB FORM 83-I

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.