

SUPPORTING STATEMENT
Internal Revenue Service
Form 926 Return by a U.S. Transferor of Property to a Foreign Corporation
OMB No. 1545-0026

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 926 is filed by any U.S. citizen or resident, a domestic corporation, or a domestic estate or trust, to report certain transfers of tangible or intangible property to a foreign corporation required by Internal Revenue Code § 6038B.

2. USE OF DATA

Internal Revenue Service (IRS) uses Form 926 to determine property that is transferred to a foreign corporation, partnership or a person that is not a United States person to compute the foreign tax credit.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 926 is electronically enabled for 1120 returns (U.S. Corporation Income Tax Return) which accounts for approximately 50% of the filers.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

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

The collection of information requirement will not have a significant economic impact on a substantial number of small entities.

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

A less frequent collection will not enable the IRS meet its mission by verifying the foreign tax credits are being computed properly and in accordance with Internal Revenue Code § 6038B

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 926.

In response to the Federal Register notice dated November 17, 2016 (81 FR 81247), we received no comments during the comment period regarding Form 926.

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) in this collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Authority	Description	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
1.6038B-1	Form 926 - Return by a U.S. Transferor of Property to a Foreign Corporation	667	1	667	45.27	30,195

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

The following are related regulations which impose no additional burden. Please continue to assign OMB number 1545-0026 to these regulations

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No additional Burden
1.367(a)-1T -2T
1.367(a)-3
1.367(a)-3(c)
1.367(a)-6T
1.367(a)-8
1.367(b)-1(c)
1.367(d)-1T
1.6038B-1T

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the form. The justification appearing in item one of the supporting statement applies to both these regulations and Form 926.

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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distributing, and overhead for this form is \$700.

15. REASONS FOR CHANGE IN BURDEN

There is no change to 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 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

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.