

SUPPORTING STATEMENT
Internal Revenue Service
TD 8816, Roth Individual Retirement Accounts (IRA)
OMB No. 1545-1616

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Internal Revenue Code § 408A (b),(c), and(d) are expounded in Treasury Regulation § 1.408A-2, 1.408A-4, 1.408A-5, and 1.408A-7 and provide guidance on establishing Roth Individual Retirement Accounts (IRAs), contributing to Roth IRAs, converting amounts to Roth IRAs, recharacterizing IRA contributions, Roth IRA distributions and Roth IRA reporting requirements. The regulations affect individuals establishing Roth IRAs, beneficiaries under Roth IRAs, and trustees, custodians or issuers of Roth IRAs. This information is required by the Internal Revenue Service to comply with the provisions of the Taxpayer Relief Act of 1997, and in particular, with Code section 408A (b), (c), and (d).

2. USE OF DATA

This information will be used by individuals and businesses or other for-profit institutions, and not-for-profit institutions, such as trustees, custodians or issuers of Roth individual retirement accounts (IRAs), in establishing Roth IRAs and recharacterizing IRA contributions. This information will also be used by: (1) the Internal Revenue Service (IRS) and individuals converting traditional IRAs to Roth IRAs to calculate the amount includible in gross income on account of such conversions, (2) the IRS and individuals receiving distributions from Roth IRAs to calculate the amount includible in gross income on account of such distributions, (3) the IRS and individuals recharacterizing IRA contributions to properly account for such recharacterizations, and (4) the IRS and trustees, custodians or issuers of Roth IRAs to properly report (a) the amount of contributions to and distributions from Roth IRAs, and (b) recharacterizations of IRA contributions (including Roth IRAs).

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Because there are no reporting requirements associated with TD 8816, electronic filing is not possible. IRS Publications, Regulations, Notices, and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

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 to verify establishment of Roth IRAs and recharacterization of IRA contributions and therefore would be unable to verify the tax treatment in accordance with IRC 408A and could result in IRS being unable to meet its mission.

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

In response to the Federal Register notice dated January 27, 2017 (82 FR 8651), we received no comments during the comment period regarding TD 8816.

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 "Individual Master File (IMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.030--Custer Account Data Engine Individual Master File, formerly Individual Master File, and IRS 34.037--IRS Audit Trail and Security Records System. 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.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collections of information in these regulations are in §§1.408A-2, 1.408A-4, 1.408A-5, and 1.408A-7. This information is required by the IRS to comply with the provisions of the Taxpayer Relief Act of 1997, and in particular, with section 408A(b), (c), and (d). The burden for (1)

calculating the amount includible in gross income on account of conversions and Roth distributions, and (2) accounting for recharacterizations is reflected in the burden for Form 8606. The burden for electing to continue the 4-year spread of income inclusion (only applicable to certain spousal beneficiaries) is reflected in the burden for Form 8606 or Form 1040, whichever is applicable. The burden for reporting contributions is reflected in the burden for Form 5498. The burden for reporting distributions is reflected in the burden for Form 1099R.

Authority	Description	Number of Respondents	Number of Responses per Respondent	Annual Responses	Hours per Response	Total Burden
408A	Roth IRAs	3,150,000	1	3,150,000	.0396	125,000
Totals		3,150,000				125,000

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

There are no known annualized costs to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There are no changes to the paperwork burden previously approved by OMB. This submission is being submitted for renewal purposes.

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 could cause confusion by leading taxpayers to believe that the regulation sunsets 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 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.