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1SUPPORTING STATEMENT

Internal Revenue Service

(FORMS; 943, 943-PR, 943-A, 943-A-PR, 943-R, 943-X, and 943-X-PR)

Employer's Annual Tax Return for Agricultural Employees Series

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Sections 3101(a) and (b), and 3111(a) and (b), 3402(p), and 6011(a) and (b) of the Internal Revenue Code and sections 31.6011(a)-1 and 31.6011(a)-4 of the Employment Tax Regulations require agricultural employers to report (a) the employees' and employers' FICA taxes on wages and (b) the amounts withheld for income tax. Form 943 is used for this purpose.

Sections 3101(a) and (b), 3111(a) and (b), and 6011(a) and (b) of the Internal Revenue Code and section 31.6011(a)-1 of the Employment Tax Regulations require agricultural employers in Puerto Rico to report the employees' and employers' FICA taxes on wages. Form 943-PR is used for this purpose.

Section 6302(c) of the Internal Revenue Code and section 31.6302-l(g) of the Employment Tax Regulations require agricultural employers who are semiweekly depositors to deposit the taxes accumulated during the semiweekly period within 3 banking days of the end of the period. Section 31.6302-l(c)(3) of the Employment Tax Regulations requires that agricultural employers, who on any day within a deposit period accumulate \$100,000 or more of employment taxes, must deposit them by the close of the next banking day. Forms 943-A and 943A-PR are optional forms that may be used by agricultural employers to show their tax liabilities for the semiweekly periods and \$100,000 one-day rule.

Form 943-R this new form was developed because of the new legislation enacted as part of The Stephen Beck, Jr., Achieving a Better Life Experience (ABLE) Act of 2014, enacted on December 19, 2014, as part of the Tax Increase Prevention Act of 2014, which added new IRC sections 3511 and 7705 that created a new certification program for professional employer organizations. Certified Professional Employer Organizations (CPEO) will report aggregate agricultural payroll information on Form 943, Employer's Annual Federal Tax Return for Agricultural Employees. This new form will be used by CPEOs to report and allocate the aggregate payroll information reported on Form 943 to each specific agricultural client.

Form 943-X is used to correct errors made on Form 943, Employer's Annual Federal Tax Return for Agricultural Employees, for one year only.

Form 943-X-PR, for use in Puerto Rico, is used to correct errors made on Form 943, Employer's Annual Federal Tax Return for Agricultural Employees, for one year only.

2. USE OF DATA

This form will provide to the agency specific payroll data by client, regarding the agricultural payroll information that is reported in aggregate form on Form 943. The data will be used to monitor and ensure that professional employer organizations are complying with their tax

withholding, depositing and reporting obligations.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing is available for Form 943, Form 943-PR and Form 943 Schedule R.

We have no plans at this time to offer electronic filing for 943-A, 943A-PR, 943-X, and 943-X-PR because of low volume compared to cost of electronic enabling.

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

There is no flexibility to reduce burden on small businesses or other small entities because the statutes apply to small businesses and small entities.

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

A less frequent collection will not enable the IRS to determine compliance applicable to the agency specific payroll data by client regarding the agricultural payroll information that is reported in aggregate on the Form 943 series. If the data is not collected the IRS will be unable to monitor and ensure that professional employer organizations are complying with their tax withholding, depositing and reporting obligations and the IRS would be 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 March 9, 2017 (82 FR 13202), we received no comments during the comment period regarding Forms 943, 943-PR, 943-A, 943-A-PR, 943-R, 943-X, and 943-X-PR.

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

No payment of gift has been provided to respondents.

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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 "Business Master File Document Specific" system under IRS 24.030- Individual Master File Customer Acct Data Engine C, IRS 24.064-Business Master File, and IRS 34.037-IRS Audit Trail & Security Records System.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Authority	Description	Annual Responses	Hours per Response	Total Burden
	Form 943 mail out	337,000	13.01	4,384,370
	Form 943 Over the counter (OTC)	332,000	13.25	4,399,000
	Form 943 Voucher	157,625	.24	37,830
	Form 943 Voucher OTC	8,300	.97	8,051
IRC § 3301	Total of Form 943	0		0
	Form 943-PR	5,305	11.55	61,273
	Form 943PR/943(PR) OTC	1,305	.73	953
	Form 943-PR Voucher preprinted	4,000	.24	960
IRC § 3301	Total of Form 943 PR	0		0
IRC § 6302	Total of Form 943-A	10,000	8.51	85,100
IRC § 6302	Total of Form 943A-PR	138	8.51	1,175
IRC § 6205	Total of Form 943-X	100,000	17.31	1,731,000
IRC § 6205	Total of Form 943X-PR	10,000	17.31	173,100
IRC § 3511	Total of Form 943 Sch R (New)	25	13.04	326
Grand Total		0		10,883,138

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0035 to these regulations.

31.6011(a)-1(2)

31.6011(a)-1

31.6011(a)-4

31.6302-1

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no estimated annual cost burden to the respondent.

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, distribution and overhead for Forms 943, 943-PR, 943-A, 943A-PR, 943-X, and 943-X-PR is \$315,865.

15. REASONS FOR CHANGE IN BURDEN

There is an increase in the burden due to the addition of Form 943-R; Allocation Schedule for Aggregate Form 943 Filers. This results in an increase of 25 responses and 326 burden hours. Additionally, burden increased 2,000 hours due to agency estimate to correct a previous input error. Form 943-X PR was previously listed as having a burden of 17.11 hours per response, rather than the correct figure of 17.31 hours.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	965,698	0	25	0	0	965,673
Annual Time Burden (Hr)	10,883,138	0	326	2,000	0	10,880,812

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 forms 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 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.