

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**ABLE Account Contribution Information and Distributions from ABLE Accounts**  
**Form 5498-QA and Form 1099-QA**  
**OMB Number 1545-2262**

**26784. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

IRS section 529A requires an information return to be filed for contributions to Achieving a Better Life Experience (ABLE) savings accounts. P.L. 113-295, ABLE Act of 2014 allows individuals and families to save for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life by establishing and achieving a better life experience (ABLE) savings account. Form 5498-QA, ABLE Account Contribution Information and Form 1099-QA, Distributions from ABLE Accounts and these separate instructions will provide issuers the necessary information for completing, furnishing, and filing the forms for the ABLE account.

The Form 5498-QA and Form 1099-QA are ("furnished") by the state, agency or instrumentality operating the program to the individual and filed with the IRS. It will be the States responsibility to gather this information from the individual and then report it to the IRS annually.

**26785. USE OF DATA**

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

The IRS will use Form 1099-QA Distributions from ABLE Accounts, to identify officers or employees, or the designee of an officer or employee, having control of a qualified ABLE account and/or who made a distribution from the qualified ABLE account.

Form 5498-QA, ABLE Account Contribution Information should be filed with the IRS by May 31, 2016, for each person to verify that an ABLE account was made during 2015.

**26786. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

Form 5498-QA and 1099-QA are electronically enabled.

**26787. EFFORTS TO IDENTIFY DUPLICATION**

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

**26788. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES**

There is no burden on small businesses or other small entities due to the inapplicability of the

authorizing statute to this type of entity.

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

The information required is needed to verify compliance with Section 529A of the Internal Revenue Code of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting 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 December 4, 2017 (82 FR 57327), we received no comments during the comment period regarding these regulations.

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 "Information Returns Processing (IRP)"; "Payer Master File (PMF)" and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.061 - Information Return Master File; IRS 24.030 - Customer Account Data Engine Master File; IRS 34.037 - IRS Audit Trail and Security Records System, IRS 24.046-Cade Business Master File. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>

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.

The Privacy Act statement associated with these Forms is listed in the General Instructions for Certain Information Returns.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Form #	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
5498-QA	ABLE Account Contribution Information	10,000	1	10,000	.19	1,900
1099-QA	Distributions from ABLE Accounts	10,000	1	10,000	.17	1,700
		20,000		20,000		3,600

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs. At the present time, the agency estimates that the cost of printing these forms is \$2,000.

**15. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB.

**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.

**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.