

Supporting Statement
OMB 1545-0795
(Form 8233)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 1441 of the Internal Revenue Code requires that 30 percent of amounts paid to a nonresident alien individual as compensation for independent personal services (services performed where there is no employer-employee relationship) be withheld by the person paying the amount (the withholding agent) to the individual. Form 8233 is used by a nonresident alien individual to claim exemption from withholding on compensation for independent personal services (under section 1441 and its regulations), if the exemption is based on a tax treaty to which the United States is a party (a "U.S. tax treaty"). The Service has expanded the use of the form to nonresident alien students, teachers, and researchers to claim exemption from withholding on compensation for dependent personal services (where there is an employer-employee relationship) that is wholly or partially exempt from taxation under a U.S. tax treaty. In all cases, the form is completed by the nonresident alien individual claiming exemption and presented to the withholding agent for review. If the withholding agent accepts Form 8233, the withholding agent certifies on the same form and forwards it to the Director, Office of International District Operations (Assistant Commissioner (International)).

2. USE OF DATA

Form 8233 is used to determine if exemption from withholding is warranted. It is used both by the withholding agent to make an initial finding as to whether the exemption is warranted, and then by the IRS to verify that the withholding agent's finding is correct. If the exemption from withholding is not warranted, the IRS will so notify the withholding agent, who must begin withholding the tax.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS publication, 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. IRS has no plans at this time to offer electronic filing because of the low volume compared to the 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 minimal to no burden on small businesses or entities by this collection 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

Form 8233 is used to determine if exemption from withholding is warranted. It is used both by the withholding agent to make an initial finding as to whether the exemption is warranted, and then by the IRS to verify that the withholding agent's finding is correct. A less frequent collection will hinder the IRS's 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

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 8233.

In response to the **Federal Register Notice dated March 19, 2018, (83 FR 12078)** we received no comments during the comment period regarding Form 8233.

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

No gifts or payments are being 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

This information collection contains the following PII: SSN.

The collection and use of SSNs is necessary and the agency complies with the requirements in Section 7 of the Privacy Act. Section 7 of the Privacy Act says that no federal, state, or local government agency can require someone to give out their Social Security number in order for the individual to receive any right, benefit, or privilege provided by law. Section 7 of the Privacy Act does not apply to any disclosure that is required by a federal statute.

In addition, 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.

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "International National Standard Application System (INTL NSA).

Systems of Records Notice (SORN):

- 1 IRS 34.037--IRS Audit Trail and Security Records System
- 2 IRS 42.001--Exam Administrative Files
- 3 IRS 42.021--Compliance Returns and Project Files

The Internal Revenue Service, Treasury published its inventory of Privacy Act systems of records on August 10, 2012, beginning at 77 FR 47930.

The Department of Treasury PIAs can be found at: <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>

The Internal Revenue Service PIAs can be found at: <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

<u>Form</u>	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
8233	75,617	8.85	669,211

We have reviewed the following regulations and have determined that the reporting requirements contained in them are entirely reflected on the form(s). The justification appearing in item 1 of the supporting statement applies both to these regulations and to the form(s). Please continue to assign OMB number 1545-0795 to these regulations.

1.1441-2	1.1441-5	1.1462-1
1.1441-3	1.1441-6	1.1465-1
1.1441-3(e)12	1.1441-7	1.871-6
1.1441-4	1.1461-1	301.7605-1
1.1441-4(b)	1.1461-2	301.7701-16

1.1441-4(b)2

1.1461-3

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

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$624.

15. REASONS FOR CHANGE IN BURDEN

There is a decrease of 15,123 hours in the paperwork burden previously approved by OMB due to a substantive change in the form.

This form is also being submitted for renewal purposes only.

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 and/or form sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTION TO THE CERTIFICATION STATEMENT

No Exceptions.

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.