

**1SUPPORTING STATEMENT
Internal Revenue Service**

U.S. Individual Income Tax Return

OMB Control Number 1545-0074

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC sections 6011 & 6012 of the Internal Revenue Code require individuals to prepare and file income tax returns annually. These forms and related schedules are used by individuals to report their income subject to tax and compute their correct tax liability.

The consolidation of the individual burden forms into one OMB Control number is part of the over-arching effort to transition the burden estimate methodology for these forms to the IRS Research method. This is the same process that was implemented for 1545-0123.

As is done with the business tax form burden estimates (Forms 1065, 1120, 1120-S and related forms and schedules), clearance for the burden estimate will be requested retroactively, and is sought on an annual basis instead of on the regular 3-year PRA cycle. Doing so ensures that new and updated forms can be made available for use on a timely basis.

Form 1040 and related schedules, are used by individuals to report their income subject to tax and compute their correct tax liability.

Form 1040X is used by individual taxpayers to amend prior year tax returns. Prescribing Instructions: IRC Secs. 6096, 6402, 6404 and 6511.

Form 1040 NR is used by all nonresident alien individuals whether or not engaged in trade or business within the United States; required for filing nonresident alien fiduciary (estates and trusts) returns.

Form 1040 NR-EZ is for non-resident aliens with no dependents. They can use this shorter form to report their income and figure their tax liability, if they meet certain conditions.

Form 673 is to be filed with your U.S. employer to claim an exemption from U.S. income

tax withholding on wages earned abroad to the extent of the foreign earned income exclusion and foreign housing exclusion

Form 926 is used to report certain transfers by individuals, partnerships, corporations, or estates or trusts of tangible or intangible property to a foreign corporation. The reporting is required by IRC section 6038B.

Form 970 is used by taxpayers to elect to use the last-in, first-out (LIFO) inventory method.

Form 972 is used by Shareholders to agree to report as a taxable dividend on their own tax return a consent dividend even though they received no distribution. The corporation may then be able to claim a consent dividends deduction.

Form 982 is used for a discharge of indebtedness that is excluded from the income under section 108(a).

Form 1040 ES-OCR-V is a voucher used by taxpayers making an estimated tax payment with their return.

Form 1040 ES-OTC is used for estimated tax for individuals.

Schedule A (Form 1040) is used to claim itemized deductions (medical and dental expenses, taxes, interest, contributions, casualty or theft losses, and miscellaneous deductions) allowed by IRC sections 67, 163, 164,165, 170, 211, 212, 213, 217, and 222, and to figure the overall limitation on itemized deductions required by IRC section 68.

Schedule B (Form 1040) is used to report interest and/or ordinary dividend income over \$400 and ownership or signature authority for foreign accounts and trusts. (Public law 91-508, IRC section 61.)

Schedules C and C-EZ (Form 1040) are used to report gross income, expenses, and net profit or loss from operating a business or profession as a sole proprietorship. (IRC section 61.)

Schedule D (Form 1040) is used to report and summarize capital gains and losses. (IRC sections 1201-1233.)

Schedule E (Form 1040) is used to report and summarize income from rents, royalties,

partnerships, S corporations, estates, trusts, REMICS, etc. (IRC section 61.)

Schedule EIC (Form 1040) is used to identify qualifying children for the earned income credit. The form is required by Congress in the committee reports for section 11111 of OBRA 90, amending IRC section 32. The form will allow IRS to determine that valid qualifying children are being claimed, and will also be used for statistical purposes.

Form 1040ES-NR is used by nonresident aliens to figure estimated tax on income not subject to tax withholding.

Form 1040ES-PR is used by nonresident aliens to figure estimated tax on income not subject to tax withholding (translated).

Schedule F (Form 1040) is used to report gross income, expenses, and net profit or loss from farming. (IRC section 61.)

Schedule H (Form 1040) is used by household employers to report household employment taxes. (IRC section 3510.)

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Schedule J (Form 1040) is used by taxpayers with farm income to figure their tax using income averaging. (IRC section 1301.)

Schedule L (Form 1040/1040-A) is by filers who can increase their standard deductions by certain state or local real estate taxes, new motor vehicle taxes, or a net disaster loss. Schedule L is used to figure their standard deduction.

Schedule M (Form 1040/1040-A) is used to claim the Making Work Pay Credit and in 2009 for the Special Credit for Government Retirees.

Schedule R (Form 1040) is used to help verify that the taxpayer is entitled to the credit for the elderly or the disabled, that it is properly computed, and also for general statistical use.

Schedule SE (Form 1040) is used by self-employed individuals and employees of electing churches and qualified church-controlled organizations to figure any self-employment tax. (IRC sections 1404 and 1402.)

Form 1040-V is used by taxpayers making a payment with their return.

Form 1040-V OCR is used only if you have a balance due on the "Amount you owe" line of your 2008 Form 1040.

Form 1040-V OCR ES supplied only in Tax Package 1040-ES/V, Cat Num 10510X. The instructions are written to coincide with estimated tax vouchers supplied to individuals.

Form 1045 is used by taxpayers (other than corporations) who have a net operating loss carryback and desire a quick refund of taxes. Prescribing instructions for Form 1045 are IRC Sec. 6411; Regs. Sec. 1-6411-1.

Form 1116 is used to support the foreign tax credit claimed for the amount of any income, war profits, and excess profits tax paid or accrued during the taxable year to any foreign country or U.S. possession.

Form 1127 is used by taxpayers to request extension of time to pay taxes.

Form 1128 is used by taxpayers to request a change in tax year. Used by partnerships, S corporations, or personal service corporations to adopt or retain a certain tax year.

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Form 1310 is used by a surviving spouse or a personal representative to claim a refund on behalf of a deceased taxpayer.

Form 2106EZ is used by employees who are not reimbursed by their employer and who, if claiming vehicle expenses, use the standard mileage rate to support deductions for ordinary and necessary business travel, transportation, and entertainment expenses.

Form 2106 is for optional use to support deductions from income tax for travel, transportation, outside salesman or educational expenses (except moving expenses).

Form 2120 is for persons claiming a dependent under the multiple support rules and to identify all other eligible persons and to indicate they have signed statements from them waiving their rights to claim that person as a dependent.

Form 2210-F is used by persons whose gross income from farming or fishing is at least two-thirds of their gross annual income and to see if they owe a penalty for underpaying their estimated tax.

Form 2210 is filed as an explanation to avoid penalty for underpayment of estimated tax. Authority is IRC Sec. 6654; Regs secs 1.6654.1.

Form 2350 is used by U.S. citizens and resident aliens abroad, to ask for an extension of time to file their tax returns if they need the time to meet the bona fide residence or physical presence test to qualify for special tax treatment.

Form 2350 (SP) is the Spanish translated form 2350.

Form 2439 is used by regulated investment companies or real estate investment trusts for each shareholder for whom it paid tax on certain undistributed capital gains. This form is used with Form 2438.

Form 2441 is used to figure the amount of your credit from paying someone to care for a child or other qualifying person so that the taxpayer (and spouse if filing a joint return) could work or look for work. The taxpayer (and spouse if filing a joint return) must have had earned income to do so.

Form 2555 EZ is used by qualified U.S. citizens or resident aliens living in a foreign country, to exclude a limited amount of their foreign earned income. Their foreign earned income cannot exceed a specific amount, and none of it can be from self-employment.

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Form 2555 is filed by taxpayers who have earned income from sources outside the U.S. which is exempt from U.S. Income Tax. This form is an integral part of OIO Package 9 mail out.

Form 2848 is used to authorize an individual to represent you before the IRS. The individual you authorize must be a person eligible to practice before the IRS.

Form 3115 is used to request a change in either an overall accounting method or the accounting treatment of any item.

Form 3468 is used by individuals, estates, trusts, and corporations to claim investment credit.

Form 3520 is used by U.S. persons to report certain transactions with foreign trusts, and receipt of certain large gifts of bequests from certain foreign persons.

Form 3800 is used by filers to summarize the general business credit (GBC) if they have; (1) more than 1 component of the GBC, (2) any component is a passive activity, (3) any carryback/carryforward of a GBC, or (4) have general credits from an electing large partnership (Box 7 of Sch K-1(Form 1065-B)).

Form 3800 is used to claim any of the general business credits.

Form 3903 is used to report moving expenses that can be deducted on Form 1040 for a move related to the start of a new job.

Form 4029 is used by members of recognized religious groups (individuals and partnerships) to apply for exemption from social security and Medicare taxes.

Form 4070A is not filed with IRS but is used by employees to keep a record of daily tips. This form is obtainable only in Pub. 1244. There are 12 copies of Form 4070-A in Pub. 1244.

Form 4136 is used by taxpayers (other than partnerships who are not electing large partnerships) to claim a credit for certain nontaxable uses or sales of fuel during the tax year.

Form 4137 is used by employees who did not report tips to their employers, including any allocated tips shown in box 8 of their Form(s) W-2, to figure the social security and

Medicare tax owed on those tips.

Form 4255 is used by taxpayers who dispose of (or whose property ceases to be) investment credit property before the end of the useful life used in computing the investment credit, and to figure the increase in tax for the recapture of investment credit claimed.

Form 4361 is used by ministers, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners to claim exemption from tax on self-employment income.

Form 4562 is used by Taxpayers to claim a deduction for depreciation or amortization, to make the section 179 election to expense certain property, and to provide information on the business/investment use of cars and other listed property.

Form 4563 is used by bona fide residents of American Samoa for the entire tax year to figure the amount of income they may exclude from gross income.

Form 4684 is for optional use by individual as a guide for reporting gains and losses resulting from casualties and thefts.

Form 4797 is used to report the details of gains and losses from the sale, exchange, involuntary conversion (from other than casualty or theft loss), or disposition of the following: property used in your trade or business, depreciable or amortizable property, capital and non-capital (other than inventory) assets held in connection with the trade or business, or capital assets not reported on Schedule D. The form may also be used to compute the recapture amount under section 179 and 280F(b)(2) when the business use of the property decreases to 50 percent or below.

Form 4835 is used by land owner (or sublessor) to report gross farm rental income based on crops or livestock shares where the taxpayer does not materially participate in the operation or management of the farm.

Form 4852 is used by taxpayers to estimate wages and income taxes withheld when Form W-2 is not available from employer.

Form 4868 is used by individuals to apply for six (6) more months to file Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ.

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Form 4868 (SP) is the Spanish translated version of Form 4868.

Form 4952 is used by individuals, estates, and trusts to figure the amount of investment interest expense (interest paid on loans allocable to investment property) they can deduct and the amount they can carry forward to future years.

Form 4970 is used by beneficiaries who receive an accumulation distribution from certain domestic trusts to figure the partial tax on the distribution.

Form 4972 is used in averaging lump-sum distributions to determine whether the income tax computed under the averaging provisions is the most advantageous method. The authority is IRC. Sec. 72, Reg. Secs. 1.72-18, 1.72-19. Effective with the 2000 revision the printing of this form and its accompanying instruction (Inst. 4972) was combined to be printed as one product.

Form 5074 is used by U.S. citizens and residents with adjusted gross income of \$50,000 or more that includes at least \$5,000 from Guam or CNMI sources to provide information to the US. This allows IRS to figure the individual income tax due to Guam or the CNMI.

Form 5213 is used by individuals, trusts, estates, and S corporations to elect to postpone an IRS determination as to whether the presumption applies that an activity is engaged in for profit.

Form 5329 is used by any individual who has established a retirement account, annuity or retirement bond. Form is filed with form 1040. There are separate Instructions available for this item. The authority is Section 6058, 219, 408 of the IR Code.

Form 5405 is used to claim the first-time homebuyer credit.

Schedule J (Form 5471) is used by filers to report accumulated E&P, in functional currency, computed under sections 964(a) and 986(b).

Schedule M (Form 5471) is used by U.S. persons who had control of a foreign corporation for an uninterrupted period of at least 30 days to report certain transactions that occurred during the corporation's annual accounting period.

Schedule O (Form 5471) is used by certain officers, directors, and shareholders of foreign corporations to report (re)organization and acquisition/disposition of its stock.

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Form 5471 is used by certain U.S. citizens or residents who are officers, directors, or shareholders in certain foreign corporations to report required information.

Form 5695 is used to figure and take your residential energy efficient property credit, including any credit carryforward from 2007.

Schedule A (Form 5713) is used by persons who participated in or cooperated with an international boycott to figure the international boycott factor to use in figuring the loss of tax benefits.

Schedule B (Form 5713) is used by persons who participated in or cooperated with an international boycott to specifically attribute taxes and income in order to figure the loss of tax benefits.

Schedule C (Form 5713) is used by filers to compute the loss of tax benefits from participation in or cooperation with an international boycott.

Form 5713 is used by persons that may be required to report having operations in or related to countries which require participation in or cooperation with an international boycott.

Form 5754 is to be completed if you receive gambling winnings either for someone else or as a member of a group of winners on the same winning ticket. The information you provide on the form enables the payer of the winnings to prepare Form W-2G, Certain Gambling Winnings, for each winner to show the winnings taxable to each.

Form 5884 is used to claim the work opportunity credit for qualified first year wages paid or incurred for targeted-group employees during the tax year.

Form 5884-B is used for a new hire retention credit up to \$1,000.00 is allow for each retained worker.

Form 6198 is used by individuals, estates, trusts, and certain corporations to figure the profit (loss) from an at-risk activity, the amount at risk, and the deductible amount of the loss.

Form 6251 is used to figure alternative minimum tax for individuals.

Form 6252 is used to report income from the sale of real property or the casual sale of

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personal property other than inventory, if you are not a dealer. At least one payment (including payments from sales reported on the installment method prior to 1980) will be received in a tax year of the sale.

Form 6478 is used by persons who sell or use alcohol as a fuel to figure their credit for alcohol used as fuel.

Form 6765 is used by individuals, estates, trusts, organizations, or corporations to figure and claim the credit for increasing research activities. Since 2003, the instructions are now included with the form.

Form 6781 is used by taxpayers to report gains and losses on section 1256 contracts under the mark-to-market rules and under section 1092 from straddle positions.

Form 8082 is used by partners, S corporation shareholder, beneficiary of an estate or trust, owner of a foreign trust, or residual interest holder in a real estate mortgage investment conduit (REMIC), to notify IRS of inconsistencies between the tax treatment of an item on their returns vs. the way the pass-through entity treated and reported the item on its return. Also used to notify IRS if partners, shareholders, et. al., did not timely receive Schedule K-1, Schedule K-1, Schedule K-1, Schedule K-1, Schedule Q, or a foreign trust statement.

Form 8275-R is used by taxpayers and preparers to disclose positions taken on a tax return that are contrary to Treasury regulations, to avoid certain portions of the accuracy-related penalty, if the return position has a reasonable basis.

Form 8275 is used by taxpayers and preparers to disclose items or positions, except those taken contrary to a regulation, that are not otherwise adequately disclosed on a tax return to avoid certain penalties.

Form 8283 is used to claim a deduction for a charitable contribution of property or similar items of property, the claimed value of which exceeds \$500.

Form 8332 is used by custodial parents to release their claim to their child's exemption. They give the form to the non-custodial parent who will claim the child's exemption, and that parent attaches it to his or her income tax return.

Form 8379 is used by injured spouses to compute their share of a joint tax refund when all or part of the refund was applied against their spouse's past-due Federal tax or non-tax

debt, such as child or spousal support, or state income tax, etc.

Form 8396 is used to figure mortgage interest credit and any carryover there may be to a subsequent year.

Form 8453 is completed by taxpayers who file their individual tax return electronically using a third party. An electronically transmitted return will not be considered complete, and therefore filed, until this form is received by the IRS. Electronic Return Originators (EROs) must mail this form to the appropriate service center within three business days after acknowledgment from the IRS that the electronic return has been accepted. This form is required when a taxpayer personal identification number (PIN) signature(s) is not used.

Form 8582-CR is used by individuals, estates, and trusts with certain credits from passive activities to figure the amount of any passive activity credit allowed for the current tax year.

Form 8582 is used by individuals, estates, and trusts with losses from passive activities to figure the amount of any passive activity loss allowed for the current tax year.

Form 8586 is used by owners of qualified residential rental buildings in low-income housing projects to figure the amount of their low-income housing credit, a component of the general business credit.

Form 8594 is used by the buyers and sellers of a group of assets that make up a business when goodwill or going concern value attaches.

Form 8606 is used by taxpayers to report nondeductible contributions to their traditional IRA(s), distributions from certain IRAs where their basis was more than zero, distributions from Roth IRAs, and amounts converted.

Schedule A (Form 8609) pursuant to section 42 (I), must be completed by the building owner each year of the 15-year compliance period, whether or not a credit is claimed for the tax year.

Form 8611 is used by owners of residential low-income rental buildings to recapture the low-income housing credit taken in previous years due to a decrease in the qualified basis of a building or its disposition without posting a satisfactory bond.

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Form 8615 is used by children under age 14 with investment income of more than \$1,500 (indexed for inflation), who are required to file a tax return, and whose tax rate is lower than their parents' tax rate to figure their tax.

Form 8621A is used by shareholders of a former Passive Foreign Investment Company (PFIC) or a Section 1297(e)PFIC to make a late purging election under Section 1298(b)(1) to terminate their subjection to taxation under Section 1291.

Form 8621 is used by direct or indirect shareholder of a passive foreign investment company or qualified electing fund who is a U.S. person for each tax year in which the shareholder holds stock in a passive foreign investment company or qualified electing fund.

Form 8689 is used to figure the amount of U.S. tax allocable to the U.S. Virgin Islands. If you were a citizen or resident alien of the United States and had income from sources in the U.S. Virgin Islands or income effectively connected with the conduct of a trade or business in the U.S. Virgin Islands, you may owe tax to the U.S. Virgin Islands. The tax liability is a percentage of your U.S. tax liability.

Form 8693 is used to report the securing of a bond in lieu of paying the recapture of the low-income housing credit on Form 8611.

Form 8697 is used by persons who complete long-term contracts that were accounted for using the percentage of completion or completion-capitalized cost methods to figure the interest due or to be refunded under the look-back method.

Form 8801 is used by Individuals, trusts, and estates to figure the minimum tax credit for alternative minimum tax and any minimum tax credit carryforward.

Form 8812 is used to figure the additional child tax credit. This additional child tax credit may give you a refund even if you do not owe any tax.

Form 8814 is used by parents to report the income of their children.

Form 8815 is used by individuals who cashed certain savings bonds to pay qualified higher education expenses to exclude part or all of the interest on the bonds.

Form 8818 is used by individuals who cashed certain savings bonds and paid qualified higher education expenses to keep a record of the bonds. Form 8818 is not filed with IRS;

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the information is used to complete Form 8815.

Form 8820 is used by individuals, estates, trusts, organizations, and corporations that elect to claim an orphan drug credit to claim it.

Form 8821 authorizes any individual, corporation, firm, organization, or partnership you designate to inspect and/or receive your confidential information in any office of the IRS for the type of tax and the years or periods you list on Form 8821. You may file your own tax information authorization without using Form 8821, but it must include all the information that is requested on Form 8821.

Form 8822 is used by taxpayers to notify the IRS of changes in home or business mailing addresses or business location.

Form 8824 is used by taxpayers to report each exchange of business or investment property for property of a like kind.

Form 8826 is used by eligible small businesses to claim the disabled access credit, a part of the general business credit.

Form 8828 is used by homeowners with federal mortgage subsidies to figure and report the recapture tax on the subsidy if they sold or otherwise disposed of the home.

Form 8829 is used by filers of Schedule C (Form 1040) to figure the allowable expenses for business use of their home and any carryover to the following year of amounts not deductible in the current year.

Form 8832 is used by eligible entities to choose how they are classified for Federal tax purposes: as an association taxable as a corporation or as a partnership, or as an entity inseparable from its owner.

Form 8833 is used by taxpayers, including dual-resident taxpayers, to make the treaty-based return position disclosure. A separate form is required for each treaty-based return position taken.

Form 8834 is used by taxpayers to figure the credit for qualified electric vehicles placed in service during the tax year.

Form 8835 is used by taxpayers to claim the renewable electricity production credit (for

the sale of electricity produced in the U.S. or U.S. possessions from qualified energy resources at a qualified facility).

Form 8838 is used by U.S. transferors that entered into a gain recognition agreement under section 367(a) and 367(e)(2) with their income tax return for the tax year the transfer is made.

Form 8839 is used by individuals to figure the amount of their adoption credit and any employer-provided adoption benefits they can exclude from income.

Form 8840 is used by Alien individuals to claim the closer connection to a foreign country(ies) exception to the substantial presence test. The exception is described in Regulations section 301.7701(b)-2.

Form 8843 is used by Alien individuals to explain the basis of their claim that they can exclude days of presence in the United States for purposes of the substantial presence test.

Form 8844 is used by Employers to claim the empowerment zone and renewal community employment credit.

Form 8845 is used by Employers of American Indians who are qualified employees to claim the Indian employment credit.

Form 8846 is used by certain food and beverage establishments to claim a credit for social security and Medicare taxes paid or incurred by the employer on certain employees' tips. This is part of the general business credit.

Form 8847 is used to claim the credit for qualified contributions made to select Community Development Corporations (CDCs).

Form 8853 is used by individuals to report contributions to and figure deductions for Archer MSAs, to report distributions from MSAs, to report payments from long-term care insurance contracts, and to report accelerated death benefits from life insurance policies.

Form 8854 is used if you expatriate, to provide information required by sec. 6039G.

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Schedule M (Form 8858) is used by certain U.S. persons that are required to file Form 5471 with respect to a CFC or Form 8865 with respect to a CFP, that is a tax owner of an FDE, such as Category 4 filers of Form 5471, and Category 1 filers of Form 8865, must file Schedule M.

Form 8858 is used by certain U.S. persons that own a foreign disregarded entity (FDE) directly or, in certain circumstances, indirectly or constructively. The Form and schedules are used to satisfy the reporting requirements of sections 6011, 6012, 6031, and 6038, and related regulations.

Form 8859 is used by individuals to claim the District of Columbia first-time homebuyer credit.

Form 8860 is used by an eligible holder of a qualified zone academy bond for each tax year it holds a bond on a credit allowance date.

Form 8861 is used to claim the welfare-to-work credit for wages you paid to or incurred for long-term family assistance recipients during the tax year. The credit is 35% of qualified first-year wages and 50% of qualified second-year wages paid or incurred during the tax year. You can claim or elect not to claim the welfare-to-work credit any time within 3 years from the due date of your return on either your original return or on an amended return.

Form 8862 is used by individuals if both of the following apply: Your EIC was reduced or disallowed for any reason other than a math or clerical error for a year after 1996; and you now want to claim the EIC and you meet all of the requirements.

Form 8863 is used by individuals to figure and claim education credits (i.e., the Hope credit and the lifetime learning credit).

Form 8864 is used by taxpayers to claim the biodiesel (including agri-biodiesel) credit and the biodiesel mixture credit.

Schedule K-1 (Form 8865) is used to report the information required under section 6038, section 6038B, or section 6046A.

Schedule O (Form 8865) is used to report the information required under section 6038, section 6038B, or section 6046A.

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Schedule P (Form 8865) is used to report the information required under section 6038, section 6038B, or section 6046A.

Form 8865 is used to report the information required under section 6038, section 6038B, or section 6046A.

Form 8866 is used by taxpayers who depreciated certain property using the income forecast method (generally limited to motion picture films, video tapes, sound recordings, copyrights, books and patents) to figure the interest due or to be refunded under the look-back method.

Form 8873 is used to figure the amount of extraterritorial income excluded from gross income for the tax year.

Form 8874 is used to claim the new markets credit for qualified equity investments made in qualified community development entities (CDEs). This credit is part of the general business credit.

Form 8878-SP is used to Certify the truthfulness, correctness and completeness of the form; Selected a personal identification number (PIN) as his or her signature for the electronic application and if applicable, Electronic Funds Withdrawal consent and to Authorize the electronic return originator (ERO) to enter the taxpayers self-selected PIN on the electronic application for an extension of time to file and if applicable Electronic Funds Withdrawal Consent.

Form 8878 is used to certify the truthfulness, correctness and completeness of the form; selected a personal identification number (PIN) as his or her signature for the electronic application and, if applicable, electronic funds withdrawal consent, and to authorize the electronic return originator (ERO) to enter the taxpayers self-selected PIN on the electronic application for an extension of time to file and if applicable electronic funds withdrawal consent.

Form 8879-SP is used to certify the truthfulness, correctness, and completeness of the taxpayer's electronic income tax.

Form 8879 is used by taxpayers when their return is e-filed using the practitioner PIN method or when the taxpayer authorizes the electronic return originator to enter the taxpayer's PIN on his or her e-filed return.

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Form 8880 is used by individuals to figure the amount, if any, of their retirement savings contributions credit. This credit can be claimed in addition to any IRA deduction.

Form 8881 is used by eligible small employers to claim the credit for qualified startup costs incurred in establishing or administering an eligible employer plan. The credit is allowed only for costs paid or incurred in tax years beginning after 2001 with respect to qualified employer plans first effective after 2001. The credit is allowed under section 45E and is part of the general business credit. You may elect, however, to have section 45E not apply for your tax year beginning in 2004 by not filing Form 8881 with your 2004 tax return.

Form 8882 is used by employers to claim the credit for qualified childcare facility and resource and referral expenditures. It is part of the general business credit.

Form 8885 is used by eligible recipients to figure the amount, if any, of their health coverage tax credit. Eligible recipients include recipients of trade adjustment assistance (TAA), alternative TAA, and Pension Benefit Guaranty Corporation pensions.

Form 8886 is used to disclose participation in reportable transactions by taxpayers as described in regulations 1.6011-4.

Form 8888 is used by taxpayers to request that IRS deposit their tax refund into their account at a financial institution instead of receiving a check. This form is now obsolete. The information a taxpayer would have entered on this form has been incorporated into the Form 1040 series.

Form 8889 is used to report activity in a health savings account.

Form 8891 must be used by certain taxpayers who hold interests in Canadian registered retirement savings plans or registered retirement income funds.

Form 8896 is used by eligible small refiners to claim the credit for qualified low sulfur diesel fuel production costs.

Form 8898 is used by individuals who begin or End Bona Fide Residence in a U.S. Possession.

Form 8900 is used by eligible taxpayers to claim the credit with respect to qualified railroad track maintenance expenditures paid or incurred during tax years beginning after

2004 and before 2008.

Form 8901 is used to give the IRS information on any qualifying child (defined on back) who is not your dependent. To figure the amount of your child tax credit, see the instructions for Form 1040A, line 33, or Form 1040, line 52.

Form 8903 is used by corporations, individuals, partners (including partners of electing large partnerships), S corporation shareholders, estate and trusts, beneficiaries of estates and trusts, cooperatives and patrons of cooperatives to calculate and report the domestic production activities deduction.

Form 8906 is used to claim the distilled spirits credit, which is part of the general business credit.

Form 8907 is used to determine the amount of credit that can be claimed for the production and sale of qualified nonconventional source fuel.

Form 8908 is used to enable qualified contractors of new energy efficient homes to take the new Energy Efficient home credit. Form 8908 reflects new code section 45L created by HR6, the Energy Tax Incentives Act of 2005.

Form 8910 is used to determine the amount of alternate motor vehicle credit that can be claimed. This credit was created by H.R.6.

Form 8911 is used to claim the alternative fuel vehicle refueling credit for alternate fuel vehicle property placed into service after 2005.

Form 8912 is used to claim the credit for holding tax credit bonds.

Form 8914 is used to claim your personal exemptions, exemptions for dependents, and the additional exemption amount for providing housing in your main home to one or more individuals displaced by Hurricane Katrina.

Form 8915 is used by eligible individuals impacted by Katrina, Wilma and Rita that took monies out of their retirement plans including IRA for certain unanticipated expenses (up to a \$100,000 limit). Certain provisions for early retirement distributions are modified, etc.

Form 8917 is a new form we are creating in response to a request by TIGTA to capture

applicable information for the tuition and fees deduction to ensure compliance and promote simplicity and fairness. It is based on the worksheet that was a part of the 2005 Form 1040 instructions and the changes listed below refer to that worksheet. This form is based on IRC 222, recently extended by PL 109-432, sec. 101.

Form 8919 is a new form for use by individuals whose employment status is in dispute or who have been determined to be employees by the IRS to figure their share of the social security and Medicare tax on the income that has been determined to be wages. Prior to this, individuals had to alter Form 4137, Social Security and Medicare Tax on Unreported Tip Income, in order to use it to figure the tax. The new form was created at the request of SBSE HQ Specialty Programs/Employment Tax Policy based on the results of an audit of Form 4137 by Treasury Inspector General for Tax Administration (TIGTA). TIGTA concluded that creating a specific form and instructions for these individuals would decrease their burden and allow them to file electronically.

Form 8923 is used by taxpayers who employ miners working in underground mines in the U.S. to claim a credit for the cost of training employees to serve as mine rescue team members.

Form 8925 is required to be attached to the employer's income tax return to report all employer-owned life insurance contracts.

Form 8931 is used to claim the agricultural chemicals security credit.

Form 8932 will be a continuous use form as the credit applies to wages paid after June 17, 2008 and before January 1, 2010, and the provisions of section 45P are not expected to change in 2009, and may be extended.

Form 8933 is used to claim the carbon dioxide sequestration credit.

Form 8936 is used to figure the credit for qualified plug-in electric drive motor vehicles placed in service during the tax year. The credit attributable to depreciable property (vehicles used for business or investment purposes) is treated as a general business credit. Any credit not attributable to depreciable property is treated as a personal credit.

Form 8949 is used with Schedule D (Form 1040) to report and summarize capital gains and losses. (IRC sections 1201-1233.)

Form 8959 is used to report the additional Medicare tax for high-income earners.

Form 8962 is used to report the Premium Tax Credit.

Form 8965 is used to report exemption from the minimum essential health care coverage requirement.

Form 9465-SP is used to request a monthly installment plan if they cannot pay the full amount of tax they owe.

Form 9465-FS

Form 9465 is used to request a monthly installment plan if they cannot pay the full amount of tax they owe.

Form SS-4 is used by Sole proprietors, corporations, partnerships, estates, trusts, and other entities to apply for an employer identification number (EIN), a nine-digit number assigned for tax filing and reporting purposes.

Form SS-8 is used to furnish information about services of an individual, selected as representative of class of workers, to get written determination on status.

Form T is used to provide information on timber accounts when a sale or deemed sale under sections 631(a), 631(b), or other exchange has occurred during the tax year.

Form W-4 P is used by recipients of annuity, pension, or certain other deferred compensation payments to tell payers the correct amount of federal income tax to withhold.

Form W-4 S is used request Federal income tax withholding from an individual's sick pay payments. Give Form W-4 S to the third-party payer of your sick pay, such as an insurance company, if you want Federal income tax withheld from the payments.

Form W-4 SP is used by employees to give it to their employer so their employer withholds the correct Federal income tax from their pay.

Form W-4V is used by recipients of certain government payments to request voluntary Federal income tax withholding from their payments.

Form W-4 is used by employees to give it to their employer so their employer withholds

the correct Federal income tax from their pay.

Form W-7 A is used by Alien individuals who are required to furnish a U.S. taxpayer identification number to the IRS but who do not have, and are not eligible to obtain, an SSN.

Form W-7 SP is used to apply for an IRS individual taxpayer identification number (ITIN). An ITIN is a nine-digit number issued by the U.S. Internal Revenue Service (IRS) to individuals who are required for U.S. tax purposes to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain, a Social Security Number (SSN).

Form W-7 is used by Alien individuals who are required to furnish a U.S. taxpayer identification number to the IRS but who do not have, and are not eligible to obtain, an SSN.

Form W-7 (COA) is to be used as the Certificate of Accuracy, required for all ITIN Certifying Acceptance Agents when submitting Form W-7.

Notice 2006-52 is related to the deduction for Energy Efficient Commercial Buildings.

Notice 2008-40 clarifies and amplifies Notice 2006-52, 2006-1 C.B. 1175.

Publication 972 contains a worksheet to help taxpayers figure their child tax credit if they have three or more children; have foreign earned income; meet a specific income requirement; or claim certain adoption or mortgage tax credit.

2. **USE OF DATA**

The data on these forms and their schedules will be used in computing the tax liability and in determining that the items claimed are properly allowable. It is also used for general statistical use.

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

We are currently offering electronic filing for these forms and schedules.

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**

It is not possible to reduce reporting requirements for small businesses, however the burden on a given entity will depend on the complexity of their enterprise. Small businesses will generally have a much lower burden of compliance than large and complex businesses.

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

Consequences of less frequent collection on federal programs or policy activities could consist of a decrease in the amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

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 (83 FR 34698), dated July 20, 2018, IRS received comments as summarized below.

Form W-4

Following feedback from the payroll and tax communities, major revisions to the Form W-4, Employee's Withholding Allowance Certificate, have been postponed until 2020. The 2019 version of the Form W-4 will be similar to the current 2018 version. A new draft version of the W-4 for 2019 will be available in the coming weeks.

The IRS will continue working closely with the payroll and the tax community as it makes additional changes to the Form W-4 for use in 2020. The new version will help employees improve withholding accuracy, and fully reflect changes included in the Tax Cuts and Jobs Act.

Form 1040 IRS response to the general remarks of the NATP letter:

IRS designed a new Form 1040 that all 150 million taxpayers will be able to use. It adopts a “building block” approach, in which the tax return is reduced to a simple base form. That base form can be supplemented with additional schedules as warranted by the taxpayer’s individual tax reporting needs. This new Form 1040 replaces the existing Form 1040, Form 1040EZ and Form 1040A

Taxpayers with very straightforward tax situations would only need to file this new version of the 1040 with no schedules. The most commonly used lines on the current Form 1040 were retained on this newer version of the 1040. Less commonly used lines were moved to six newly created schedules, reflecting the earlier segments of a Form 1040 such as income and adjustments to income, nonrefundable credits, taxes, and payments or refundable credits.

Although the form looks different, IRS believes that the experience for taxpayers and tax professionals will primarily be the same. The IRS will still collect the same basic information to properly calculate tax liability. Since more than more than 9 out of 10 taxpayers use software or a tax preparer, IRS expects their experience to be the same as it is today. The remaining taxpayers who file on paper would use this new form and schedules, as applicable.

IRS response to the three specific items mentioned in the NATP letter:

Comment	Response
Removal of the Married Filing Jointly and Single filing status	Married filing jointly and Single filing status were re-introduced to the 2018 Form 1040.
Only two lines for dependents are provided with no apparent option for additional dependents that may qualify for certain credits	Two additional lines for dependents were added to bring back the total to four. Checkboxes are displayed next to each dependent line to allow the taxpayers to mark each dependent for Child tax credit or for Credit for other dependents. Additional information and guidance will be provided in the 2018 Form 1040 Instructions.
Taxpayers who need to file additional schedules run the risk of missing deductions and credits or making errors in transferring information from a schedule to the form.	IRS will provide instructions, including graphics and other easy-to-read information, to illustrate the schedules needed for each tax situation.

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

In accordance with the Privacy Act of 1974, Treasury has published its complete Privacy Act systems of records notices, which include all maintained records systems as of January 2, 2014; six systems have been amended, altered, or added since April 20, 2010, when the complete notices were last published. See 79 F.R. 209-261 and 79 F.R. 183-206, which was published on January 2, 2014.

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--Customer Account Data Engine Individual Master File, formerly Individual Master File, and IRS 34.037--IRS Audit Trail and Security Records System. The Internal Revenue Service 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

PRA Approval of Forms Used by Individual Taxpayers

Under the PRA, OMB assigns a control number to each "collection of information" that it reviews and approves for use by an agency. The PRA also requires agencies to estimate the burden for each collection of information. Burden estimates for each control number are displayed in (1) PRA notices that accompany collections of information, (2) Federal Register notices such as this one, and (3) OMB's database of approved information collections.

Taxpayer Burden Model

The IRS uses the Individual Taxpayer Burden Model (ITBM) to estimate the burden experienced by individual taxpayers when complying with Federal tax laws. The model was developed using a survey of tax year 2016 individual taxpayers that was fielded in 2017 and 2018. The approach to measuring burden focuses on the characteristics and activities undertaken by individual taxpayers in meeting their tax return filing obligations.

Burden is defined as the time and out-of-pocket costs incurred by taxpayers in complying with the Federal tax system. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation fees, the purchase price of tax preparation software, submission fees, photocopying costs, postage, and phone calls (if not toll-free).

The methodology distinguishes among preparation method, taxpayer activities, taxpayer type, filing method, and income level. Indicators of tax law and administrative complexity, as reflected in the tax forms and instructions, are incorporated into the model. Preparation methods reflected in the model are as follows:

- Self-prepared without software,
- Self-prepared with software, and
- Use of a paid preparer or tax professional.

Types of taxpayer activities reflected in the model are as follows:

- Recordkeeping,
- Tax planning,
- Gathering tax materials,
- Use of services (IRS and other),
- Form completion, and
- Form submission.

Taxpayer Burden Estimates

Summary level results from fiscal year 2019 using this methodology are presented below. The data shown were the best forward-looking estimates available for income tax returns filed for tax year 2018.

The burden estimates were based on statutory requirements as of September 30, 2018 for taxpayers filing a 2018 Form 1040 tax return. Time spent and out-of-pocket costs are presented separately. Time burden is broken out by taxpayer activity, with record keeping representing the largest component. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation and submission fees, postage and photocopying costs, and tax preparation software costs.

Reported time and cost burdens are national averages and do not necessarily reflect a “typical” case. Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type. For instance, the estimated average time burden for all taxpayers filing a Form 1040 is 11 hours, with an average cost of \$200 per

return. This average includes all associated forms and schedules, across all preparation methods and taxpayer activities.

There is significant variation in taxpayer activity across different taxpayer groups. For example, non-business taxpayers are expected to have an average burden of about 7 hours and \$110, while business taxpayers are expected to have an average burden of about 19 hours and \$400. Similarly, tax preparation fees and other out-of-pocket costs vary extensively depending on the tax situation of the taxpayer, the type of software or professional preparer used, and the geographic location.

Table 2: ITBM Estimates for the 1040/NR/NR-EZ/X series of returns and supporting forms and schedules					
FY 2019					
	FY18 Estimate	Change due to Adjustment in Agency Estimate	Program Change due to New Legislation	Program Change due to Agency Discretion	FY19 Estimate
Number of Taxpayers	157,800,000	-	-	-	157,800,000
Burden in Hours	1,971,000,000	14,000,000	(200,000,000)	(1,000,000)	1,784,000,000
Burden in Dollars	32,315,000,000	1,592,000,000	(2,138,000,000)	(5,000,000)	31,764,000,000
Monetized Total Burden	63,373,000,000	3,214,000,000	(6,338,000,000)	(24,000,000)	60,225,000,000

* Total time burden is based on actual burden times and not rounded averages, in Table 3.

Note: Estimates presented in this table differ from those published in the tax forms and publications. Revised estimates presented herein can reflect legislation approved after the IRS Forms and Publications print deadline.

Table 3: Estimated Average Taxpayer Burden for Individuals Filing a 1040 by Activity

Primary Form Filed or Type of Taxpayer	Percentage of Returns	Time Burden					Money Burden	
		Average Time Burden (Hours)***					Average Cost (Dollars)	Total Monetized Burden (Dollars)
		Total Time	Record Keeping	Tax Planning	Form Completion and Submission	All Other		
All Taxpayers	100%	11	5	2	4	1	\$ 200	\$390
Type of Taxpayer								
Nonbusiness**	70%	7	2	1	3	1	\$ 110	\$210
Business**	30%	19	10	3	5	1	\$ 400	\$770

Note: This table does not include 1040NR, 1040NR-EZ, and 1040X filers.

Detail may not add to total due to rounding. Dollars rounded to the nearest \$10.

** A "business" filer files one or more of the following with Form 1040: Schedule C, C-EZ, E, F, Form 2106, or 2106-EZ. A "non-business" filer does not file any of these schedules or forms with Form 1040 or if you file Form 1040A or 1040EZ.

*** Times are rounded to nearest hour.

For Reference: Fiscal Year 2014 (previously approved by OMB) to 2018 Changes

The change in estimated aggregate compliance burden between fiscal year 2014 and 2018 can be explained by the following adjustments. The changes are from an adjustment to the FY18 population growth in certain filings between FY14 and FY18. These adjustments lead to a 116,000,000 hour increase in aggregate time and a \$598,000,000 increase in costs. The difference between FY 14 to FY18 is included in the Program change to due to agency discretion.

**Fiscal Year 2014 ITBM Estimates for the
1040/A/EZ/NR/NR-EZ/X series of returns and supporting forms and
schedules with
changes to Fiscal Year 2018**

	FY2014 and FY2018		Previously OMB Approved FY2014
	FY 2018	Change	
Number of Taxpayers	157,800,000	4,900,000	152,900,000
Burden in Hours	1,971,000,000	116,000,000	1,855,000,000
Burden in Dollars	32,315,000,000	598,000,000	31,717,000,000
Detail may not add due to rounding			

We are asking for continued approval of these regulations that are associated with Form 1040. Please continue to assign OMB number 1545-0074 to these regulations.

1.23-5	1.307-2	1.1385-1
1.31.2	1.333-1	1.1402(a)-2,5,11,15
1.37-2 and 3	1.351-3	161.1402(c)-2
1.41-4	1.383-1	1.1402(e)-(2)-1
1.41-4A	1.442-1	1.1402(f)-1
1.43-2	1.446-1	1.6001-1
1.44A-3	1.451-5 thru 7	1.6060-1
1.52-4	1.454-1	1.6072-1
1.61-15	1.461-1	1.6107-1
1.63-1	1.466-1	1.6109-1 and 2
1.64(c)6	1.551-4	1.6011-1

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1.71-1	1.612-4	1.6012-1
1.72	1.642(c)-5 and 6	1.6013-1, 6, 7
1.79-2 and 3	1.702-1	1.6017-1
1.83-2 thru 5	1.706-1	1.6060-1
1.105	1.736-1	1.6072-1
1.151-1	1.743-1	1.6107-1
1.152-4 and 4T	1.751-1	1.6109-1
1.162-24	1.852-7 and 9	1.6151-1
1.163-10T	1.931-1	1.6695-1
1.166-10	1.935-1	1.6696-1
1.170	1.1012-1	1.9100-1
1.170A	1.1041-1T	5c.0
1.172	1.1081-11	7.0
1.180-2	1.1101-4	16A.126-2
1.182-6	1.1211-1	18.1-7
1.190-3	1.1212-1	31.6011(a)-1 and 7
1.213-1	1.1231-2	301.6110-3 and 5
1.215-1	1.1232-3	301.6316-4 thru 6
1.254-1	1.1248-7	301.6361-1 and 3
1.265-1	1.1251-2	301.6501
1.274-5T and 6T	1.1254-1 and 3	301.6501(d)
1.280A-3	1.1304-1 thru 5	301.6905-1
1.280F-3T	1.1311(a)-1	301.7216-2
1.302-4	1.1383-1	

The following are citations to 26 U.S.C.:

61	317	852
72	318	857
79	331	1012
83	332	1034(i)
126	351	1037
162(h)	403	1081
170	454	1101
172(b), (c), (h)	518(c)(18)	1232A
180	551	6011
182	613(g)	6012
265	642(c)	6061
301	735	6107
307	736	7216

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The total estimated time and out-of-pocket costs, as estimated by the IRS ITBM, represent the federal income tax compliance burden for the estimated 157.8 million

individual taxpayers that filed a Tax Year 2018 federal income tax return. The time and out-of-pockets costs per respondent shown were also estimated using the IRS ITBM. Due to rounding, the per respondent burden calculated using the total amounts above will be different. As a result, estimates of the cost burdens were calculated at \$380 per taxpayer, with a combined estimate total of \$60,225,000,000.

For more information on the development of the ITBM see two papers in the supplementary document section, “Role_of_assisted_methods_2010ResearchConf” and “Income_taxes_and_compliance_costs_2013NTJ” referenced in Section 12.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing these forms. We estimate that the cost of printing these forms and schedules, including the tax packages, is \$15,000,000.

15. REASONS FOR CHANGE IN BURDEN

2018 draft Form 1040

Following the most expansive tax law changes in 30 years, Treasury asked the IRS to look at ways to improve the 1040 filing experience. In response, the IRS took a strategic look at the family of 1040 forms with a goal of simplifying the experience for taxpayers and our partners in the tax industry. The 2018 draft Form 1040 replaces the current Form 1040 as well as the Form 1040A and the Form 1040EZ. The 2018 draft Form 1040 uses a “building block” approach, which can be supplemented with additional schedules as needed. The 2018 draft Form 1040 goes from the current 79 lines to somewhere around 23 lines. Taxpayers with straightforward tax situations would only need to file this new 1040 with no additional schedules.

Since the *Federal Register* Notice (83 FR 34698), Form 1040 and related schedules 1-6 drafts have been updated. The changes are listed below.

The changes effective in 2018 and affecting the tax returns taxpayers will file in 2019 include (but are not limited to):

“Simplified” has been removed from the title of the first draft.

The filing statuses checkboxes were moved from the header to above the name entry space and we have added “Single” and “Married filing jointly.” In addition, IRS switched the order of “Head of household” and “Qualifying widow(er)” so the order is consistent with past years.

An entry space was added at the end of the filing status line to be used to enter the name of a qualifying person for head of household or qualifying widow(er) if that qualifying person is not a dependent, as well as the spouse name if married filing separately.

The standard deduction entry spaces have been retitled "Your standard deduction" and "Spouse standard deduction" to differentiate them. The text on the spouse name line was revised. This line will just be used for the spouse name for a married filing joint return. (Previously, the text indicated the name of a qualifying person could be entered on this line.)

The "Full-year health care coverage" checkbox on page 1 is revised to read "Full-year health care coverage or exempt (see insts.)"

Under the "Presidential Election Campaign" (PEC) box a new box was added with the following text "If more than four dependents, see inst and check here." To make room for the new text box we revised the PEC text and repositioned the checkboxes on the "Spouse standard deduction" line. IRS also removed the word "Your" preceding "spouse" in the checkbox descriptions.

Two additional dependent lines were added for a total of four, the number IRS had on the form last year, allowing more people to report all their dependents on the form itself.

The jurat language is revised; it is changed back to the language used in the 2016 Form 1040, in large part due to Forms 1040 and 1040A no longer being applicable.

Paid preparer section reformatted and fields added to request preparer EIN, address, and phone number.

In the left margin of page 2 IRS added instructions to attach Form(s) W-2, and Form(s) W-2G and 1099-R if federal tax was withheld.

To be consistent with past years, on line 1 IRS added "(s)" to the end of "Form" so the line now reads "Attach Form(s) W-2."

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IRS changed the language on lines 6, 7, 8, 11, 12, and 17 to be consistent with other products and past years. In addition, on lines 11 and 12 IRS added language directing taxpayers to check a box if a schedule is attached.

Line 6. This line now shows total income. An inline entry space has been added to show the amount from Schedule 1, line 22 that is included in the line 6 total.

Line 7. The computation changed because of the change on line 6.

Line 8. The text has been revised to be consistent with past years.

Line 11. The line has been revised to include checkboxes to show if any tax is from Form 8814 or Form 4972 or a write-in amount.

Line 12. The text has been revised to add an inline entry space for child tax credit/credit for other dependent.

Line 13. The text has been revised to tell taxpayers to enter -0- if the result is less than zero.

IRS added a product page reference to the bottom of page 2.

Treasury's Office of Tax Analysis projects that roughly 25% of projected 2018 individual income tax filers would be able to file the new form without any attachments (meaning any of the six new schedules or any existing forms or schedules that are retained). For context, in Tax Year 2015, 16% of 1040 series returns filed were Form 1040-EZ.

Burden Impact Evaluation

An analysis of the impact of the Tax Cuts and Jobs Act (TCJA) of 2017 on the burden faced by individual taxpayers in complying with the Federal tax law indicates that the overall impact of the law on individuals will lower taxpayer burden. Currently, the average time to complete a tax year 2018 individual tax return is estimated to decrease by 9% and the average out-of-pocket costs are estimated to decrease 2%.

The expected impact of TCJA provisions by statutory and discretionary change are provided below:

Statutory Changes – Overall, the statutory changes are expected to lead to an overall decrease in burden. There are three major changes that are expected to have a material impact on burden in the TCJA.

The increase in the standard deduction and the limitation on the Schedule A tax deduction, taken together, are the most substantial changes introduced in the TCJA. These changes are expected to decrease the number of Schedule A filers from 46 million to 20 million. The 26 million drop in Schedule A filings and the elimination of certain Schedule A line items is expected to lead to a decrease of 241,000,000 hours and a decrease of \$2,948,000,000 in out-of-pocket costs.

The change in thresholds on the Form 6251 for alternative minimum tax is expected to lead to a significant decrease in Form 6251 filings, from 10 million to 1 million or less. This change is expected to lead to a decrease of 13,000,000 hours and a decrease of \$557,000,000 in out-of-pocket costs.

The new Sec 199A Deduction for qualified business income is expected to increase burden for many filers who report sole proprietor and passthrough income. The deduction is also expected to increase the number of filers with sole proprietors and passthrough income which should increase burden. This change is expected to lead to an increase of 52,000,000 hours and an increase of \$1,303,000,000.

Additional changes, such as the adjustment of the child tax credit phaseout threshold and credit amount, the introduction of the older dependent credit, and the elimination of the domestic production credit are expected to have a net estimated impact of an increase of 2,000,000 hours and an increase of \$64,000,000 of out-of-pocket costs.

Overall, the decreases in burden from the change in Schedule A and Form 6251 filings are expected to more than offset the increase burden from the Sec 199A Deduction. Total statutory changes are expected decrease time burden by 200,000,000 and are expected to decrease out-of-pocket costs by \$2,138,000,000.

IRS Discretionary Changes – The largest discretionary change in place for tax year 2018 is the redesign of the Form 1040 and discontinuance of Forms 1040, 1040A, and 1040EZ. Modest decreases in burden are expected for some taxpayers who prepare by hand without using a paid preparer or tax software but overall, the transition from Forms 1040, 1040A, and 1040EZ to the shortened Form 1040 is

not expected to have a material impact on the burden individual taxpayers face. Approximately 95% of individual taxpayers use a paid preparer or tax software to complete their tax return and almost 90% of individual taxpayers e-file. Currently, these taxpayers using assisted methods interact with either a tax software interface or a paid preparer so they have limited interaction with the tax forms themselves. There is very little expectation for their experience to change so the form redesign is not expected to have a material impact on them.

The impact of the Form 1040 redesign on the approximately 5% of individual taxpayers who complete their taxes by hand without using a paid preparer or software is not expected to have a material impact on overall filing burden. The current expectation is that some taxpayers who prepare unassisted will have marginally lower burden while others will have marginally higher burden. For example, taxpayers who previously filed a Form 1040EZ may experience slightly more burden because they need to evaluate more information than before while a segment of taxpayers who previously filed the Form 1040 and 1040A may experience slightly less burden because they need to evaluate less information than before. In addition, some filers are expected to experience a reduction in burden from the separation of the components of the Form 1040 onto the new set of schedules while some are not. Overall, the minor increases and decreases that this population experiences are expected to mostly offset and are expected to decrease time burden by 1,000,000 and decrease out-of-pocket costs by \$5,000,000.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

The intent of this collection is to collect data in areas of income, gains, losses, deductions, credits, and to figure the income tax liability of a business taxpayer.

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 ON OMB FORM 83-I

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.