



Instructions for Form 1120-ND

(Rev. November 2018)

(Use with the October 2013 revision of Form 1120-ND)

Return for Nuclear Decommissioning Funds and Certain Related Persons

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments affecting Form 1120-ND and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1120ND](https://www.irs.gov/Form1120ND).

What's New

Address change for filing returns. The filing address for Form 1120-ND has changed. See [Where To File](#), later.

Increase in penalty for failure to file. For returns required to be filed after December 31, 2018, the minimum penalty for failure to file a return that is over 60 days late has increased to the smaller of the tax due or \$210. See [Late filing of return](#), later.

NOL carryback eliminated. The 2-year carryback rule will generally not apply to net operating losses (NOLs) arising in tax years ending after 2017. Exceptions apply to NOLs for farmers and non-life insurance companies. See section 172(b) as amended by P.L. 115-97, section 13302.

General Instructions

Purpose of Form

Nuclear decommissioning funds use Form 1120-ND to report contributions received, income earned, the administrative expenses of operating the fund, and the tax on modified gross income. The return is also used to report the section 4951 initial taxes on self-dealing.

Taxpayers, electing under section 468A, are allowed deductions for amounts contributed to a qualified fund, up to 100% of the present value of the nuclear power plant's decommissioning costs. Taxpayers can apply for a new ruling amount if the nuclear power plant is granted a license renewal, extending its useful life. See section 468A for more information.

Who Must File

All section 468A nuclear decommissioning funds must file Form 1120-ND. A disqualified person engaging in self-dealing must file Form 1120-ND to report the initial tax. See [Part II, Initial Taxes on Self-Dealing \(Section 4951\)](#), later, to determine if an individual has engaged in self-dealing as a trustee or disqualified person.

Note. Each person liable for filing a return to pay any tax reportable on this form must file a separate return.

When To File

Generally, a fund must file its income tax return by the 15th day of the 4th month after the end of its tax year. The return of a trustee or self-dealer who owes tax under section 4951 must be filed by the 15th day of the 4th month after the end of the tax year of the trustee or self-dealer.

However, a fund with a fiscal tax year ending on June 30 must file by the 15th day of the 3rd month after the end of its tax year. A fund with a short tax year ending in June will be treated as if the short year ended on June 30, and must file by the 15th day of the 3rd month after the end of its tax year.

If the due date falls on a Saturday, Sunday, or legal holiday, the fund may file on the next business day.

Where To File

File the fund's or disqualified person's or trustee's return at the applicable IRS address listed below.

If the fund's principal business, office, or agency is located in the United States, file Form 1120-ND at the following address:

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0012

If the fund's principal business, office, or agency is located in a foreign country or a U.S. possession, file Form 1120-ND at the following address:

Internal Revenue Service Center
P.O. Box 409101
Ogden, UT 84409

Private delivery services. Funds can use certain private delivery services designated by the IRS to meet the timely mailing as "timely filing/paying" rule for tax returns and payments. See the Instructions for Form 1120, U.S. Corporation Income Tax Return, for details.



Private delivery services cannot deliver items to P.O. boxes. The fund must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Extension of time to file. File Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns, to request an extension of time to file. Generally, file Form 7004 by the regular due date of the return.

A disqualified person or trustee filing to report section 4951 taxes must also file Form 7004 to request an extension of time to file.

Who Must Sign

The return must be signed and dated by an authorized trustee. The return of any person who engaged in any act of self-dealing must be signed and dated by that person or the individual authorized to sign on behalf of that person.

If an employee of the fund completes Form 1120-ND, the paid preparer space should remain blank. Anyone who prepares Form 1120-ND but does not charge the fund should not complete that section. Generally, anyone who is paid to prepare the return must sign it and fill in the "Paid Preparer Use Only" area.

The paid preparer must complete the required preparer information and:

- Sign the return in the space provided for the preparer's signature.
- Give a copy of the return to the taxpayer.

Note. A paid preparer may sign original or amended returns by rubber stamp, mechanical device, or computer software program.

Paid Preparer Authorization

If the fund wants to allow the IRS to discuss its tax return with the paid preparer who signed it, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer Use Only" section of the fund's return. It does not apply to the firm, if any, shown in that section.

If the "Yes" box is checked, the fund is authorizing the IRS to call the paid preparer to answer any questions that may arise during the processing of its return. The fund is also authorizing the paid preparer to:

- Give the IRS any information that is missing from the return,
- Call the IRS for information about the processing of the return or the status of any related refund or payment(s), and

- Respond to certain IRS notices about math errors, offsets, and return preparation.

The fund is not authorizing the paid preparer to receive any refund check, bind the fund to anything (including any additional tax liability), or otherwise represent the fund before the IRS.

The authorization will automatically end no later than the due date (excluding extensions) for filing the fund's subsequent tax return. If the fund wants to expand the paid preparer's authorization or revoke authorization before it ends, see Pub. 947, Practice Before the IRS and Power of Attorney.

Assembling the Return

To ensure that the fund's tax return is correctly processed, attach all schedules after page 2, Form 1120-ND, in alphabetical order followed by other forms in numerical order.

Complete every applicable entry space on Form 1120-ND. Do not write "See Attached" instead of completing the entry spaces. If more space is needed on the forms or schedules, attach separate sheets using the same size and format as the printed forms. If there are supporting statements and attachments, arrange them in the same order as the schedules or forms they support and attach them last. Show the totals on the printed forms. Enter the fund's name and employer identification number (EIN) on each supporting statement or attachment.

Tax Payments

The fund must pay the tax due in full no later than the due date for filing its tax return (not including extensions).

Electronic Deposit Requirement

Nuclear decommissioning funds must use electronic funds transfers to make all federal tax deposits (such as deposits of employment, excise, and corporate income tax). Generally, electronic funds transfers are made using the Electronic Federal Tax Payment System (EFTPS). However, if the fund does not want to use EFTPS, it can arrange for its tax professional, financial institution, payroll service, or other trusted third party to make deposits on its behalf. Also, it may arrange for its financial institution to submit a same-day tax wire payment (discussed below) on its behalf. EFTPS is a free service provided by the Department of the Treasury. Services provided by a tax professional, financial institution, payroll service, or other third party may have a fee.

To get more information about EFTPS or to enroll in EFTPS, visit EFTPS.gov or call 1-800-555-4477 (TTY/TDD 1-800-733-4829).

Depositing on time. For any deposit made by EFTPS to be on time, the fund must submit the deposit by 8 p.m. Eastern time the day before the date the deposit is due. If the

fund uses a third party to make deposits on its behalf, they may have different cutoff times.

Same-day wire payment option. If the fund fails to submit a deposit transaction on EFTPS by 8 p.m. Eastern time the day before the date a deposit is due, it can still make its deposit on time by using the Federal Tax Collection Service (FTCS). To use the same-day payment method, the fund will need to make arrangements with its financial institution ahead of time regarding availability, deadlines, and costs. Financial institutions may charge a fee for payments made this way. To learn more about the information the fund will need to provide to its financial institution to make a same-day wire payment, visit the IRS website at IRS.gov/SameDayWire.

Estimated Tax Payments

Generally, the following rules apply to the fund's payments of estimated tax.

- The fund must make installment payments of estimated tax if it expects its total tax for the year (less applicable credits) to be \$500 or more.
- The installments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any date falls on a Saturday, Sunday, or legal holiday, the installment is due on the next regular business day.
- The fund must use electronic funds transfers to make installment payments of estimated tax.
- Figure the fund's expected modified gross income for the tax year. Then multiply the fund's expected modified gross income by 20% and use Form 1120-W, Estimated Tax for Corporations, as a worksheet to compute estimated tax. See the Instructions for Form 1120-W.
- If the fund overpaid estimated tax, it may be able to get a quick refund by filing Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax.

For more information on estimated tax payments, see the instructions for [line 15](#), later.

Interest and Penalties

Interest. Interest is charged on taxes paid late even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatements of tax, and reportable transaction understatements from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

Late filing of return. A fund that doesn't file its tax return by the due date, including extensions, may be penalized 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is over 60 days late is the smaller of the tax due or \$210. The penalty won't be imposed if the fund can show that the failure to file on time was due to reasonable cause.

Late payment of tax. A fund that doesn't pay the tax when due generally may be penalized 1/2 of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax. The penalty won't be imposed if the fund can show that the failure to pay on time was due to reasonable cause.

Reasonable cause determinations. If the fund receives a notice about penalties after it files its return, send the IRS an explanation, and we will determine if the fund meets the reasonable cause criteria. **Do not** attach an explanation when the fund files its return.

Other penalties. Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatements, and fraud. See sections 6662, 6662A, and 6663.

Accounting Method

The fund must use the same method of accounting as the electing taxpayer.

Rounding Off to Whole Dollars

The fund may round off cents to whole dollars on its return and schedules. If the fund does round to whole dollars, it must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Recordkeeping

Keep the fund's records for as long as they may be needed for the administration of any provision of the Internal Revenue Code. Usually, records that support an item of income, deduction, or credit on the return must be kept for 3 years from the date the return is due or filed, whichever is later. Keep records that verify the fund's basis in property for as long as they are needed to figure the basis of the original or replacement property.

The fund should keep copies of all filed returns. They help in preparing future and amended returns.

Additional Information

See the instructions for Form 1120 and Pub. 542, Corporations, for more information about corporations, including additional forms the fund may need to file and how to get forms and publications.

Specific Instructions

Period Covered

Enter the tax year in the space provided at the top of the form. For a calendar year, enter the last two digits of the calendar year in the first entry space. For a fiscal tax year return, fill in the tax year space at the top of the form.

Name and Address

Enter the fund's true name (as set forth in the charter or other legal document creating it), address, and EIN on the appropriate lines. Enter the address of the fund's principal office or place of business. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the fund has a P.O. box, show the box number instead.

Note. Do not use the address of the registered agent for the state in which the fund is incorporated. For example, if a fund is incorporated in Delaware or Nevada and the fund's principal office is located in Little Rock, AR, the fund should enter the Little Rock address.

If the return is filed by a trustee or disqualified person to report section 4951 taxes, enter that person's name and address in the address section.

If the fund receives its mail in care of a third party (such as an accountant or an attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box.

If the corporation has a foreign address, include the city or town, state or province, country, and foreign postal code. Do not abbreviate the country name. Follow the country's practice for entering the name of the state or province and postal code.

Item A. Employer Identification Number (EIN)

Enter the fund's EIN. If the fund does not have an EIN, it must apply for one. An EIN can be applied for:

- Online — Click on the EIN link [IRS.gov/EIN](https://www.irs.gov/ein). The EIN is issued immediately once the application information is validated.
- By mailing or faxing Form SS-4, Application for Employer Identification Number.

If the fund has not received its EIN by the time the return is due, write "Applied for" and the date the fund applied in the space for the EIN. For more details, see the Instructions for Form SS-4.

Item B. Identifying Number of Trustee or Disqualified Person

If the return is filed by a trustee or disqualified person to report section 4951 taxes, enter the identifying number of the trustee or disqualified person. For an individual trustee or disqualified person, enter the individual's social security number. If the trustee or disqualified person is not an individual, enter the EIN.

Note. Do not complete item B if Form 1120-ND is filed to report the income, deductions, and income tax liability of the fund.

Item C. Fund, Trustee, or Disqualified Person

Check only the box that applies.

1. When filed to report the income, deductions, and income tax liability of the fund, check the "Fund" box.

2. When filed by a trustee who is liable for taxes under section 4951, check the "Trustee" box.

3. When filed by a disqualified person who is liable for section 4951 tax, check the "Disqualified person" box.

Item D. Final Return, Name Change, Address Change, or Amended Return

Indicate a final return, name change, address change, or amended return by checking the appropriate box. If you are a trustee or disqualified person reporting section 4951 taxes, omit item D.

Note. If a change in address occurs after the return is filed, use Form 8822-B, Change of Address or Responsible Party – Business, to notify the IRS of the new address. See the Instructions for Form 8822-B for details.

Part I. Computation of Fund Income Tax

Income

Line 1. Taxable interest. Enter the total taxable interest income received or accrued for the year, including any original issue discount. Do not include tax-exempt interest on line 1; but report it as an item of information on Schedule M, line 2d.

Line 2. Capital gain net income. Every sale, exchange, or actual or deemed distribution of assets held by the fund must be reported in detail on Schedule D (Form 1120), Capital Gains and Losses (and Form 8949, Sales and Other Dispositions of Capital Assets, if applicable), even if there is no gain or loss. The amount realized on an actual or deemed distribution is the fair market value of the assets as of the date of distribution.

Line 3. Other income. Enter any other taxable income not reported on line 1 or line 2 and explain its nature on an attached schedule. If the fund had only one item of other income, describe it in parentheses on line 3.

Deductions

Note. A deduction is not allowed for certain expenses allocable to tax-exempt income. See section 265. In addition, a deduction is not allowed for distributions made to electing taxpayers. Report such payments as an item of information on Schedule M, line 2c. Liabilities are not treated as incurred prior to the time economic performance takes place. See section 461(h).

Line 5. Trustee fees. Enter the total deductible fees paid or incurred to the trustee(s) for administering the fund during the tax year.

Line 6. Taxes. Enter deductible taxes paid or incurred during the tax year, including state and local income taxes. Do not deduct federal income taxes or taxes not imposed on the fund.

Line 8. Other deductions. Attach a schedule listing by type and amount all allowable deductions that are not deducted elsewhere on Form 1120-ND. Include investment advisory fees, actuarial expenses, and other administrative expenses paid or incurred during the tax year, but do not include decommissioning costs.

Line 11. Net operating loss deduction. Enter the amount of any net operating loss deduction allowed by Regulations section 1.468A-4(b)(4), and explain its computation on an attached schedule.

Note. The 2-year carryback rule does not apply to net operating losses arising in tax years ending after 2017. An exception applies to farmers and non-life insurance companies. See section 172(b) as amended by P.L. 115-97, section 13302.

Line 14. Payments. Generally, no payments are allowed other than those on lines 14a through 14d and the credit for backup withholding.

Backup withholding. If the fund had federal income tax withheld from any payments it received because, for example, it failed to give the payer its correct EIN, include the amount withheld in the total for line 14f. Write the amount withheld and the words "Backup Withholding" in the blank space above line 14f.

Line 15. Estimated tax penalty. A fund that does not make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. Use Form 2220, Underpayment of Estimated Tax by Corporations, to see if the fund owes a penalty and to figure the amount of the penalty. If Form 2220 is attached, check the box on line 15 and enter the amount of the penalty on that line.

Schedule L. Balance Sheets

The balance sheets should agree with the fund's books and records.

Schedule M. Other Information

Line 1. The term "electing taxpayer" means an eligible taxpayer that elects the application of section 468A to deduct payments made to a nuclear decommissioning fund. See Regulations section 1.468A-7 for the rules concerning the election.

Line 5. If you are a trustee or disqualified person (defined later), complete the items included in line 5 to determine if you have engaged in an act of self-dealing.

Part II. Initial Taxes on Self-Dealing (Section 4951)

Initial taxes on self-dealers

An initial tax of 10% of the amount involved (defined later) is imposed on each act of self-dealing between a disqualified person and a nuclear decommissioning fund for each tax year (or part of a tax year) in the taxable period. The tax is required to be paid by any disqualified person (other than a trustee acting only as a trustee of the trust) who participates in the act of self-dealing.

Initial taxes on trustee

A tax of 2¹/₂% of the amount involved is imposed on a trustee who participates in the act of self-dealing. The tax is not imposed if the trustee unwillingly or due to reasonable cause participated in the act. The tax is computed on all acts of self-dealing that occur within the taxable period. The tax is required to be paid by the trustee who participates in the act.

Exceptions. The initial tax on the act of self-dealing of a disqualified person or a trustee is not imposed if the acts of self-dealing are corrected within the taxable period.

Definitions

Self-dealing. When determining if an act is an act of self-dealing, treat the transfer of personal property by a disqualified person to the fund as a sale or exchange if the property is subject to a mortgage or similar lien. Otherwise, the term “self-dealing” means any direct or indirect:

- Sale, exchange, or leasing of real or personal property between the fund and a disqualified person;
- Lending of money or other extensions of credit between the fund and a disqualified person;
- Furnishing of goods, services, or facilities between the fund and a disqualified person;
- Payment of compensation (or payment or reimbursement of expenses) by the fund to a disqualified person; and
- Transfers to, or use by or for the benefit of, a disqualified person of the income or assets of the fund.

Exceptions. Acts of self-dealing do not include:

1. The payment by the fund for the purposes of satisfying, in whole or in part, the liability of the electing taxpayer for decommissioning costs of the nuclear power plant.
2. The withdrawal of excess contributions by the electing taxpayer in accordance with Regulations section 1.468A-5(c)(2).
3. The withdrawal of amounts that have been treated as distributions to the electing taxpayer under Regulations section 1.468A-5(c)(3).

4. The payment of amounts remaining in the fund to the electing taxpayer after the termination of the fund upon the substantial completion of decommissioning.

5. The furnishing of goods, services, or facilities by a disqualified person to the fund if the furnishing is without charge and if the goods, services, or facilities so furnished are exclusively used for the purposes specified in section 468A(e)(4).

6. The payment of compensation (and the payment or reimbursement of expenses) by the fund to a disqualified person for personal services that are reasonable and necessary to carry out the purposes of the fund and the compensation (or payment or reimbursement of expenses) is not excessive.

7. A payment by the fund for the performance of trust functions and certain general banking services by a bank or trust company that is a disqualified person, if the banking services are reasonable and necessary to carry out the purposes of the fund and the compensation paid to the bank or trust company is not excessive (considering the fair market interest rate for the use of the funds by the bank or trust company).

The allowable general banking services are:

- Checking accounts, as long as the bank does not charge interest on any overwithdrawals;
- Savings accounts, as long as the fund may withdraw its money after giving no more than 30 days notice, without losing interest for the period the money was on deposit; and
- Safekeeping activities (for example, rental of a safe deposit box).

Taxable period. For an act of self-dealing, the term “taxable period” means the period beginning on the date of the act of self-dealing and ending on the date of the earliest of—

- The date of mailing of a notice of deficiency under section 6212 for the section 4951 tax,
- The date on which the tax imposed by section 4951 is assessed, or
- The date correction of the act of self-dealing is completed.

Amount involved. The term “amount involved” means the greater of the amount of money given (or received) and the fair market value of the other property given (or received). When services described in section 4951(d)(2)(C) are involved, the amount involved is only the excess compensation.

Note. Fair market value is determined as of the date on which the act of self-dealing occurs and at the highest market value during the taxable period.

Correction and correct. The terms “correction” and “correct” mean the undoing of an act of self-dealing, to the extent possible, but in any case returning the fund to a financial position no worse than it would

have been if the disqualified person acted under the highest fiduciary relationship.

Disqualified person. The term “disqualified person” means a person who is:

1. A contributor to the fund.
2. A trustee of the fund.
3. An owner of more than 10% of (a) the total combined voting power of a corporation, (b) the profits interest of a partnership, or (c) the beneficial interest of a trust or unincorporated business that is a contributor to the fund.
4. An officer, director, or employee of a person who is a contributor to the fund.
5. The spouse, ancestor, or a lineal descendant, or a spouse of a lineal descendant of an individual described in (1) through (4) above.
6. A corporation of which persons described in (1) through (5) above own more than 35% of the total combined voting power.
7. A partnership of which persons described in (1) through (5) above own more than 35% of the profits interests.
8. A trust or estate of which persons described in (1) through (5) above own more than 35% of the beneficial interest.

For purposes of (3a) and (6) above, indirect stockholders would be taken into account under section 267(c), except that, for purposes of this paragraph, section 267(c)(4) will be treated as providing that the members of the family of an individual are only those individuals described in (5) above. For purposes of (3a), (3c), (7), and (8) above, the ownership of profits or beneficial interests will be determined by the rules of constructive ownership of stock provided in section 267(c) (other than paragraph (3) thereof), except that section 267(c)(4) will be treated as providing that the members of the family of an individual are only those individuals described in (5) above.

Dispositions of an Interest in a Nuclear Power Plant

There are federal income tax consequences when there is a transfer of assets of a nuclear decommissioning fund in connection with the sale, exchange, or other disposition of a transferor of all or a portion of its qualifying interest in a nuclear power plant to another taxpayer (transferee). If the requirements of Regulations section 1.468A-6(b) are met, the federal income tax consequences are the following:

1. **No gain or loss.** If there is a disposition of an interest (wholly or partially) in a nuclear power plant, neither the transferor or the transferee (or either's fund) will recognize gain, loss, or otherwise take any income or deduction into account because of the transfer of all or some of the assets of the transferor's fund. Also, the transfer is not considered a payment or

contribution of assets by the transferor's fund (or by the transferee to its fund).

2. **Basis.** Transfers of assets of a fund to which Regulations section 1.468A-6 applies do not affect basis. The transferee's fund will have a basis in the assets received from the transferor equal to the transferor's basis in those assets immediately prior to the transfer.

3. **Tax year of disposition.**

A. *Transferee.* If a transferee does not file a request for a schedule of ruling amounts by the deemed payment deadline (2½ months after the end of the tax year of the disposition), the transferee's ruling amount for the interest acquired is determined by taking the amount contained in the transferor's current schedule of ruling amounts for that tax year and that plant multiplied by the product of:

- (1) The portion of the transferor's qualifying interest that is transferred, and
- (2) A fraction, the numerator of which is the number of days in the tax year of the transferor including and following the date of the disposition, and the denominator of which is the number of days in that tax year.

B. *Transferor.* If a transferor does not file a request for a revised schedule of ruling amounts on or before the deemed payment deadline for the tax year of the transferor in which the disposition of its interest in the nuclear power plant occurred (that is, the date that is 2½ months after the close of that tax year), the transferor's ruling amount with respect to that plant for that year will equal the sum of:

- (1) The ruling amount contained in the transferor's current schedule of ruling amounts with respect to that plant for that tax year multiplied by the portion of qualifying interest that is retained, if any, and
- (2) The ruling amount contained in the transferor's current schedule of ruling amounts with respect to that plant for that tax year multiplied by the product of:
 - (a) The portion of the transferor's qualifying interest that is disposed of and

(b) A fraction, the numerator of which is the number of days in the tax year that precede the date of the disposition, and the denominator of which is the number of days in that tax year.

4. **Tax year after the year of disposition.** A transferee of, or a transferor who retains, a qualifying interest in a nuclear power plant, must file a request for a revised schedule of ruling amounts for the interest by the deemed payment deadline (defined above). If the transferee (or the transferor) does not timely file such a request, the transferee's (or the transferor's) ruling amounts for the interest for that tax year will be zero.

For more information, see Regulations section 1.468A-6.

Paperwork Reduction and Privacy Act

Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

Section 4951 of the Internal Revenue Code requires disqualified taxpayers engaged in self-dealing with a trust to pay over to the IRS an initial tax. This form is used to report the initial amount of tax that you owe. Sections 6001 and 6011 require you to provide the requested information if the tax applies to you. Section 6109 and its regulations require you to provide your identifying number. Routine uses of this information include disclosing it to the Department of Justice for civil and criminal litigation and to other federal agencies, as provided by law. We may disclose the information to cities, states, the District of Columbia, and U.S. Commonwealths or possessions to administer their tax laws. We may disclose the information to foreign governments pursuant to tax treaties. We may disclose the information to contractors for tax administration purposes. We may also disclose this information to federal and state

agencies to enforce federal nontax criminal laws and to combat terrorism. If you do not provide this information, or you provide false or fraudulent information, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for business taxpayers filing this form is approved under OMB control number 1545-0123 and is included in the estimates shown in the instructions for their business income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping	23 hr., 26 min.
Learning about the law or the form	3 hr., 7 min.
Preparing the form	5 hr., 30 min.
Copying, assembling, and sending the form to the IRS	32 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave., NW, IR-6526, Washington, DC 20224. Do not send the tax form to this address. Instead, see [Where To File](#), earlier.
