

SUPPORTING STATEMENT

Internal Revenue Service
Electronic Payee Statements
OMB # 1545-1729

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

In general, a furnisher may furnish the statement electronically using the method described in the regulations if the recipient consents to receive the statement electronically, and if the furnisher makes certain disclosures to the recipient, annually notifies the recipient that the statement is available on a website and provides access to the statement on that website for a prescribed period of time.

This collect contains final regulations, TD 9114 (published February 18, 2004 [69 FR 7567]), relating to the voluntary electronic furnishing of statements on Forms W-2, "Wage and Tax Statement," under sections 6041 and 6051, and statements on Forms 1098-T, "Tuition Statement," and Forms 1098-E, "Student Loan Interest Statement," under section 6050S. These final regulations affect businesses, other for-profit institutions, and eligible educational institutions that wish to furnish these required statements electronically. The regulations will also affect individuals (recipients), principally employees, students, and borrowers, who consent to receive these statements electronically.

2. USE OF DATA

These regulations state that furnishers may provide the written statements required by sections 6041(d), 6050S(d), and 6051 in an electronic format in lieu of a paper format. In addition, the regulations provide furnishers with a method to furnish a statement in connection with a Form 1098-T or Form 1098-E under section 6050S(d), or a Form W-2 under section 6041(d) or 6051, electronically using website technology. This collection of information is required only for persons who wish to furnish the statements electronically using the method described in the regulations.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Under the regulations, furnishers will (1) obtain electronic consent or confirmation of consent of the recipient to receive his or her statements electronically in a manner reasonably demonstrating that the recipient can access the electronic statement; and (2) notify recipients electronically that their statements are available on a website.

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. We have attempted to eliminate duplication within the agency wherever possible.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

It has been determined that these final regulations are not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. Chapter 5) does not apply to these regulations.

The collection of information contained in sections 1.6041-2, 1.6050S-2, 1.6050S-4, and 31.6051-1 is required if a person required to furnish a taxpayer with a statement wishes to furnish the statement electronically. This information will be used to determine that the recipient has consented to receive the statement electronically. The objectives of these final regulations are to provide uniform, practicable, and administrable rules for providing information statements electronically. The types of small entities to which the regulations may apply are small eligible educational institutions (such as colleges and universities), small corporations and partnerships, and small employers. There are no known Federal rules that duplicate, overlap, or conflict with these regulations. The regulations impose the least economic burden on small entities of all the alternatives considered. The collection of information is required only from persons receiving the statements electronically using a method authorized by the final regulations.

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

The consequences of less frequent collection would be less compliance oversight of the filers. The objectives of these final regulations are to provide uniform, practicable, and administrable rules for providing information statements electronically. The IRS will not be able to ensure proper compliance, privacy, and sharing of tax information to recipients. Tax compliance is a vital part of the government's ability to meet its' mission and serve the public.

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

On February 14, 2001, the IRS published a notice of proposed rulemaking (by cross reference to temporary regulations) and a notice of public hearing, (REG-107186-00)

(66 FR 10247). The regulations proposed to permit the voluntary electronic furnishing of (1) statements on Form W-2 under sections 6041 and 6051, (2) "Tuition Statements" (Form 1098-T) under section 6050S, and (3) "Student Loan Interest Statements" (Form 1098-E) under section 6050S. These proposed amendments were intended (1) to increase electronic filing consistent with section 2001 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law 105-206 (July 22, 1998); and (2) to facilitate the use of electronic communication and record keeping consistent with the Electronic Signatures in Global and National Commerce Act (E-SIGN Act) Public Law No. 106-229, 114 Stat. 464 (2000), 15 U.S.C. sections 7001 through 7006 (2000). The IRS received written comments on the proposed regulations. A public hearing was held on July 25, 2001. After consideration of all the comments, the proposed regulations are adopted as revised by TD 9114. The temporary regulations under sections 6041, 6050S, 6051, and 6724 are removed.

On December 18, 2002, final regulations were issued under section 6050S (TD 9029), addressing information reporting for qualified tuition payments and reimbursements; TD 9029 also renumbered the regulations under section 6050S.

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding the requirements outlined in these regulations.

In response to the *Federal Register* notice dated September 18, 2019 (84 FR 49180), we received no comments during the comment period regarding TD 9114.

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

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

In general, sections 1.6041-2(a)(5), 1.6050S-1(a), 1.6050S-2(a) and 31.6051-1(j) of

the regulations permit a furnisher to furnish electronic copies of Forms W-2, Forms 1098-T, and Forms 1098-E ("statements") to an individual (employee, student, or borrower) if the furnisher (i) obtains the individual's electronic consent (or electronic confirmation of consent) to receive the statement electronically, (ii) makes certain disclosures in writing (electronically or on paper) to that individual, (iii) posts the statements on a website until October 15 of the year, and (iv) sends electronic or paper notices to the recipient of the posting of the statements (and if applicable, corrected statements). A recipient must notify the furnisher of a withdrawal of consent in writing (electronically or on paper) and the furnisher must confirm the withdrawal in writing (electronically or on paper). Recipients may notify the furnishers of updated information regarding their U.S. mail or e-mail address. Furnishers will retain copies of the consents, withdrawals of consents, updated information, and the notices of posting.

We estimate that furnishers, including 15,200 employers, will ask approximately 28,449,495 individuals if they would like to receive their statements electronically instead of on paper. The burden related to each request is six minutes (which includes all the requirements mentioned above). Thus, the total burden for this voluntary collection of information is 2,844,950 hours (0.1 hours x 28,449,495 requests = 2,844,950 hours).

The burden estimate is as follows:

OMB Collection	Authority	Form	Annual Responses	Hours per Response	Total Burden
IRS 1545-1729	IRC 6050S	----	28,449,495	.1	2,844,950
	IRS TOTAL		28,449,495		2,844,950

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-1729 to this regulation.

1. 6041-2 1.6050S-2 1.6050S-4 1.6041-2T
31.6051-1

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated September 18, 2019, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available currently.

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

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There are no known annualized costs to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis, and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.