

SUPPORTING STATEMENT
Internal Revenue Service
Forms 8966, 8957, 8966-C, 8809-I and 8508-I
OMB Control Number 1545-2246

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC), Section 1471, Withholdable payments to foreign financial institution; any withholdable payment to a foreign financial institution which does not meet the requirements of subsection (b), the withholding agent with respect to such payment shall deduct and withhold from such payment a tax equal to 30 percent of the amount of such payment. IRC, Section 1472, Withholdable payments to other foreign entities; any withholdable payment that meets the conditions of the section, requires the withholding agent with respect to such payment to deduct and withhold from such payment a tax equal to 30 percent of the amount of such payment. IRC, Section 1474, Special rules; every person required to deduct and withhold any tax per these special rules are liable for such tax will be indemnified against the claims and demands of any person for the amount of any payments made.

Form 8966, FATCA Report: The information is to be used by a responsible officer of a foreign institution to apply for a foreign account tax compliance Act individual identification number as defined in IRC 1471(b)(2).

Form 8966-C, Cover Sheet for Form 8966 Paper Submissions, is a cover sheet for those submitting a paper version of Form 8966.

Form 8957, Foreign Account Tax Compliance Act (FATCA) Registration: The information is to be used by a foreign financial institution to apply for status as a foreign financial institution as defined in IRC 1471(b)(2).

Form 8809-I, Application for Extension of Time to File FATCA Form 8966, is an application for an extension of time to file Form 8966.

Form 8508-I, Request for Waiver From Filing Information Returns Electronically, is a request for a waiver from filing Form 8966 electronically.

2. USE OF DATA

The form is used by IRS to verify compliance with sections 1471 through 1474 of the Internal Revenue Code, which generally requires U.S. withholding agents to withhold tax on certain payments to foreign financial institutions (FFIs) that do not agree to report certain information to the Internal Revenue Service (IRS) regarding their United States accounts (U.S. accounts), and on certain payments to certain nonfinancial foreign entities (NFFE) that do not provide information on their substantial United States owners (substantial U.S. owners) to withholding agents.

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

Electronic filing of Forms 8966, 8809, and 8957 is currently available. Due to the low volume of filers electronic filing is not offered for Form 8508-I. Form 8966 C is the cover sheet for paper submissions, so electronic filing is not appropriate for this form.

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**

The IRS proactively works with both internal and external stakeholders to minimize the burden on small businesses, while maintaining tax compliance. The Agency also seeks input regarding the burden estimates from the public via notices and tax product instructions. Taxpayers can file Forms 8966, 8809, and 8957 electronically, which further reduces any burden to small businesses.

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

A less frequent collection will not enable the IRS to meet its mission by verifying the foreign tax credits are being computed properly, which would hinder the IRS from meeting its mission.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. **CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

In response to the Federal Register notice dated September 15, 2021 (86 FR 51447), we received no comments during the comment period for these revenue procedures.

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

No payment or gift has been provided to any respondents.

10. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Business Master File (BMF)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Form	Description	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
8966	FATCA Report	30620	1	30620	8.14	249247
8957	Foreign Account Tax Compliance Act (FATCA) Registration	5429560	1	5429560	.42	2280415
8966-C	Cover Sheet for Form 8966 Paper Submissions	1000	1	1000	.12	120
8809-I	Application for Extension of Time to File FATCA Form 8966	50000	1	50000	3.36	168000
8508-I	Request for Waiver From Filing Information Returns Electronically	50000	1	50000	4.29	214500
TOTAL		5,561,180		5,561,180		2,912,282

The following regulations impose no additional burden. Please continue to assign OMB number 1545-2246 to these regulations. **1.1471-1**

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

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

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized start up expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as; complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries and other outlets. The result is the Government cost estimate per product.

Product	Aggregate Cost per Product (factor applied)		Printing and Distribution		Government Cost Estimate per Product
Form 8966	79,090	+	0	=	79,090
Form 8966 Instructions	13,182	+	0		13,182
Form 8957	25,505	+	0		25,505
Form 8957 Instructions	5,859	+	0		5,859
Form 8966-C	68,545	+	0		68,545
Form 8809-I	22,848	+	0		22,848
Form 8809-I Instructions	6,591	+	0		6,591
Form 8508-I	17,576	+	0	=	17,576
Grand Total	239,196				239,196

Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications

15. REASONS FOR CHANGE IN BURDEN

There are no changes to the forms that would affect burden at this time.

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

The agency believes that displaying the OMB expiration date is inappropriate because it would cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers may not be aware that the IRS 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 for this collection.

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.