

SUPPORTING STATEMENT  
Internal Revenue Service (IRS)  
Treasury Decision 9308  
Reporting Requirement for Widely Held Fixed Investment Trusts  
OMB Control Number 1545-1540

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The collection of information in these Final regulations is in §1.671-5. This information is required to enable unit interest holders to report, under section 671, items of income, deduction, and credit of a widely held fixed investment trust. In addition, this information will be used by the IRS to insure those items are reported accurately by unit interest holders in these trusts.

Under §1.671-5, the trustee or the middleman who holds an interest in these trusts for an investor will be required to provide a Form 1099 to the IRS and a tax information statement to the investor. The trust is also required to provide more detailed tax information to middlemen and certain other persons, upon request.

2. USE OF DATA

The information will be used in determining a unit interest holder's taxable income and credits and in auditing taxpayers.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of Forms 1099 as required by §1.671-5 of the regulation is currently available.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use of adaptation from another source.

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

Small businesses should not be disadvantaged as the collection has been structured to request the least amount of information and still satisfy the requirements of the statute and the needs of the IRS.

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

This information is used by the IRS to ensure that items of income, deduction, and credit of a widely held fixed investment trust are reported accurately by unit interest holders in these trusts. A less frequent collection will prevent the IRS from auditing taxpayers and determining a unit interest holder's taxable income and credits. This could result in the IRS being unable to meet 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

The agency received no comments during the comment period in response to the Federal Register notice dated January 31, 2022 (87 FR 4998).

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

There is no sensitive personally identifiable information (PII) in this collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Under §1.671-5, the trustee or the middleman who holds an interest in these trusts for an investor will be required to provide a Form 1099 to the IRS and a tax information statement to the investor. The trust is also required to provide more detailed tax information to middlemen and certain other persons, upon request.

The agency estimates that approximately 1,200 respondents comprised of trustees and brokerage firms will be affected by these regulations. As these trustees and middlemen already have an obligation to file a form (either Form 1099 or Form 1041) with the IRS, and provide tax reporting information to the actual investors, we estimate that it will take each respondent an average of an extra 2 hours to submit the more detailed and accurate information we are requesting. The total burden of this reporting requirement is 2,400 hours.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
§1.671-5	Treasury Decision 9308	1,200	1	1,200	2	2,400
Totals		1,200	1	1,200	2	2,400

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 ANNULIZED COST TO THE FEDERAL GOVERNMENT

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.

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.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	1,200	0	0	0	0	1,200
Annual IC Time Burden (Hours)	2,400	0	0	0	0	2,400

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 IN APPROPRIATE

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the document sunsets as of the expiration date. Taxpayers are not likely to 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.

**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.