

SUPPORTING STATEMENT  
Internal Revenue Service (IRS)  
Return of Excise Tax on Undistributed Income of Regulated Investment Companies (RICS)  
Form 8613  
OMB Control No. 1545-1016

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 4982 of the Internal Revenue Code imposes an excise tax on a regulated investment company in the amount of 4 percent of the excess, if any, of the required distribution for a calendar year over the distributed amount for such calendar year. Regulations section 55.6011-1 requires that Form 8613 be filed to report and pay this tax.

Form 8613 is also used to make the section 4982(e)(4) election.

2. USE OF DATA

The IRS may use the information contained on Form 8613 to verify that the tax has been figured correctly.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The agency has no plans at this time to offer electronic filing because of the low filing volume.

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 collection of information requirement will not have a significant economic impact on a substantial number of small entities.

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

Consequences of less frequent collection on federal programs or policy activities would result in inaccurate figured and computed excise taxes.

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 April 20, 2022 (87 FR 23696), one public comment was received from Investment Company Institute (ICI). The summary of the comments and the IRS responses are below:

**Form 8613  
Return of Excise Tax on Undistributed Income of Regulated Investment Companies  
(RICS)**

<b>Page no.</b>	<b>Summary of ICI comment</b>	<b>Response to OMB</b>
1	Information Only Filers. Recommended that Form 8613 include a check box to indicate when the form is filed only for informational purposes.	We have referred the comments to the appropriate area for consideration.
<b>Page no.</b>	<b>Summary of ICI comment</b>	<b>Response to OMB</b>
2	Electronic Filing and Digital Signature Relief. Recommended that the IRS expand and make permanent the ability of RICs and their officers to sign and file electronically Form 8613.3 That the Modernized e-File (MeF) system be updated to process Form 8613 (as well as filing extension requests on Form 7004). In the interim, until the MeF system can process the form, it is recommended that RICs be permitted to submit PDF copies of the return to a secure IRS email address. Recommended to provide digital signature relief for Form 8613, which is typically signed by the same individual officers of the RIC.	We have referred the comments to the appropriate area for consideration.
<b>Page no.</b>	<b>Summary of ICI comment</b>	<b>Response to OMB</b>
2	4982(e)(7) Election. Recommend that the section 4982(e)(7) election be incorporated as a check box election, with the amount of the deferral disclosed on an additional line item on Form 8613.	We have referred the comments to the appropriate area for consideration.

<b>Page no.</b>	<b>Summary of ICI comment</b>	<b>Response to OMB</b>
2	Recommended that Form 8613 include a line for taxpayers to request a refund or carryforward to the next year if there has been an overpayment of excise tax (similar to what is included on corporate tax returns).	We have referred the comments to the appropriate area for consideration.
<b>Page no.</b>	<b>Summary of ICI comment</b>	<b>Response to OMB</b>
2	Recommended that Form 8613 include a line to indicate if the return relates to the taxpayer's initial or final return.	We have referred the comments to the appropriate area for consideration.

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)", Excise Filing Information Retrieval System (Ex-FIRS) and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 – Electronic Filing Records; IRS 24.030 – Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's 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

Authority	Document	# Respondents	# Responses Per Respondent	Annual Responses	Time Per Response	Total Burden
IRC 4982	Form 8613	1,500	1	1,500	11.88 hrs.	17,820 hrs.

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.

The government cost estimate for this collection is summarized in the table below.

15.

<u>REASONS FOR CHANGE IN BURDEN</u>	<u>Aggregate Cost per Product (factor applied)</u>	<u>Printing and Distribution</u>	<u>Government Cost Estimate per Product</u>
There are no changes to the previously approved burden hours. This collection is being submitted as an	17,560	0	17,560
<b>Grand Total</b>	<b>17,560</b>	<b>0</b>	<b>17,560</b>
Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications			
* New product costs will be included in the next collection update.			

OMB extension to an already approved collection.

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

IRS believes 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 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.