

SUPPORTING STATEMENT
Internal Revenue Service
(Forms W-2, W-2c, W-2AS, W-2GU, W-2VI
W-3, W-3c, W-3cPR, W-3PR, W-3SS)
OMB Number 1545-0008

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 6051 of the Internal Revenue Code requires employers to furnish income and withholding statements to employees and to the IRS. Employers report income and withholding information on Form W-2. Forms W-2AS, W-2GU, and W-2VI are variations of the W-2 for use in U.S. possessions. The W-3 series forms transmit W-2 series forms to SSA for processing. The W-2c and W-3c series are used to correct previously filed forms.

2. USE OF DATA

The forms provide the employee with the information needed to prepare their income tax return, and the Internal Revenue Service (IRS) with the information necessary to reconcile employment tax returns filed by employers. The Social Security Administration receives a copy of the W2 in order to confirm Social Security taxes paid and uses it to calculate benefits to retirees. While Social Security uses the form, they do not account for burden.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of the W2 forms is available.

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

There are no methods to minimize burden on small businesses or other small entities. The form 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

Consequences of less frequent collection on federal programs or policy activities could result in inaccurate reporting of the information needed for employees to prepare their income tax return, and the IRS with the information necessary to reconcile employment tax returns filed by employers.

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 May 2, 2023, (88 FR 27588), IRS received one comment letter from “FMS, Karen Pulp”, one comment letter from “Greatland Corporation”, and two comment letters from “BEA”.

BEA expressed support for continued collection of data by the IRS on Form W-2 and W-3. IRS appreciates the support from BEA.

IRS has forwarded the other comments to the appropriate parties for response.

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)” and Privacy Act System of Records notices (SORN) has been issued for these systems under Treasury/IRS 24.046–Business Master File (BMF); Treasury/IRS 24.030–Customer Account Data Engine Master File; IRS 34.037–IRS Audit Trail and Security Records System. 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 reporting burden for Forms W-2/W-3 and existing regulations associated with them is as follows:

Forms	Numbers of Responses	Estimated Time per Responses	Total Annual Burden Hours
W-2	294,328,600	.50	147,164,300
W-2AS	5,414	.39	2,111
W-2c	150,297	.67	100,699
W-2GU	5,414	.41	2,220
W-2VI	2,028	.41	831
W-3	6,747,800	.47	3,171,466
W-3c	150,297	.86	129,255
W-3cPR	5,150	.53	2,730
W-3PR	40,594	.45	18,267
W-3SS	5,414	.41	2,220
Totals	301,441,008		150,594,103

Related Regulations

31.6051-1

31.3402(o)-3(h)(3)(i)

31.6081(a)-1(a)(3)

31.3121(a)(2)-2e

31.3231(e)-(2)(e)(2)	1.117-6(e)
1.6011-1	31.6053-2
31.608(a)-19(a)(3)	31.3402(o)-3(h)(3)(r)
31.6041-2	31.6052-1
31.6052-2	31.9101-1
31.6051-1(a), (b), (c), (d), (f), (g)	31.6051-3(a), (b), (e)
31.6051-2(a), (b), (c)	1.117-6(d)(4)

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the Form W-2 series.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is 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.

Product	Aggregate Cost per Product (factor applied)		Printing and Distribution		Government Cost Estimate per Product
Form W-2	165,883	+	174,186	=	340,069
Form W-2/W-3 Instructions	193,531	+	22,145	=	215,676
Form W-2AS	75,505	+	2,286	=	77,790
Form W-2G Instructions*	6,544	+	842	=	7,385
Form W-2c	31,880	+	42,242	=	74,122
Form W-2GU	95,639	+	4,046	=	99,685
Form W-2VI*	95,639	+	2,168	=	97,807
Form W-3	102,082	+	17,446	=	119,528
Form W-3c	26,175	+	6,075	=	32,250
Form W-3Cpr*	20,135	+	0	=	20,135
Form W-3cPR Instructions	6,712	+	0	=	6,712
Form W-3PR	85,068	+	2,355	=	87,423
Form W-3PR Instructions	32,719	+	0	=	32,719
Form W-3SS	60,404	+	3,234	=	63,638
Grand Total	997,916		277,025		1,274,939
Table costs are based on 2022 actuals obtained from IRS Chief Financial Office and Media and Publications					
* New product costs will be included in the next collection update.					

15. REASONS FOR CHANGE IN BURDEN

There are no major changes to this collection. IRS has updated better filing estimates, which resulted in an increase in burden hours of 23,581,727. IRS is also 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

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that these forms sunset 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 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.