

**SUPPORTING STATEMENT**  
**Internal Revenue Service (IRS)**  
**Forms 13920 - Directed Withholding and Deposit Verification**  
**Form 13930 - Application for Central Withholding Agreement**  
**OMB Control Number 1545-2102**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 1441(a) of the Internal Revenue Code of 1986 requires all persons having the control, receipt, custody, disposal, or payment of certain items of income from sources within the United States of any nonresident alien individual, to deduct and withhold from such income a tax equal to 30 percent thereof. These persons are withholding agents. The income items subject to this withholding include, but are not limited to, interest, dividends, rent, salaries, wages, compensations, remunerations, and emoluments.

IRC Section 1441(a) requires withholding on certain payments of Non Resident Aliens (NRAs). Section 1.1441-4(b)(3) of the Income Tax Regulations provides that the withholding can be considered for adjustment if a CWA is applied for and granted.

Form 13930 will be used by an individual who wishes to have a Central Withholding Agreement (CWA). This form instructs the individual on how to make his application for consideration. IRS Section 1441(a) requires withholding on certain payments of Non Resident Aliens (NRAs). Section 1.1441-4(b)(3) of the Income Tax Regulations provides that the withholding can be considered for adjustment if a CWA is applied for and granted. Form 13920 is used by withholding agents to verify to IRS that required deposits were made and give the amount of such deposits.

**2. USE OF DATA**

Form 13930 will be used by CWA Tax Specialists to determine whether a CWA is appropriate in the taxpayer's situation. Form 13920 is used by withholding agents to verify to IRS that required deposits were made and give the amount of such deposits.

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

The IRS does not plan to offer electronic filing for this collection at this time due to the low volume of filers.

**4. EFFORTS TO IDENTIFY DUPLICATION**

The information obtained through this collection is unique and is not already available or use or adaption from another source.

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

There are no small entities affected by this collection. The collection only affects individuals per IRC section 1441.

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

The information required is needed to verify compliance with the Internal Revenue Code section 1441(a) of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and 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 May 5, 2023 (88 FR 27589), we received no comments during the comment period regarding these regulations.

**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**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Individual Master File (IMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under. Treas/IRS 24.030 Individual 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.

The Privacy Act statement associated with these form's is listed in the instructions.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Form 13930 will be used by an individual who wishes to have a Central Withholding Agreement. This form instructs the individual on how to make his application for consideration. The agency estimates 3,000 individuals will complete/submit this form, taking approximately 12 hours, for a total of 36,000 burden hours.

Form 13920 is used by withholding agents to verify to IRS that required deposits were made and give the amount of such deposits. The agency estimates 8,100 responses and that it will take 20 minutes to complete the form, for a total of 2,700 annual burden hours.

Form Number	Description	# Respondents	# Responses Per Respondent- Approximate	Total Annual Responses	Hours Per Response	Total Burden
13930	Application for Central Withholding Agreement	3,000	1	3,000	12	36,000
13920	Directed Withholding and Deposit Verification	8,100	1	8,100	20 minutes	2,700
TOTAL		11,100		12,100		38,700

**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**

Cost estimate for product development is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized startup expenses, operating and maintenance expenses, and distribution of the product that collects the information. The costs to the Federal government will vary depending on whether the IRS will incur printing or copying costs for all the materials. These costs do not include any activities such as taxpayer assistance and enforcement. IRS estimates have determined that the cost of developing, printing, distribution and overhead for the form is \$37,233.

**15. REASONS FOR CHANGE IN BURDEN**

Form 13930-A, Application for Central Withholding Agreement Less than \$10,000 was removed from the collection, resulting in a decrease of 1,000 responses. Annual Time Burden correspondingly decreased by 10,500 hours with the removal of this form.

Form 13930 instructions were updated to remove reference to the 2018 income thresholds. This change does not affect the burden.

**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 regulations 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.