

Supporting Statement  
Internal Revenue Service  
Returns regarding payments of interest  
OMB # 1545-0112

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC section 6049 requires payers of interest of \$10 or more to file a return showing the aggregate amount of interest paid to a payee. Regulations sections 1.6049-4 and 1.6049-7 require Form 1099-INT to be used to report this information. IRC section 6041 and Regulations section 1.6041-1 require persons paying interest (that is not covered under section 6049) of \$600 or more in the course of their trades or businesses to report that interest on Form 1099-INT.

2. USE OF DATA

IRS uses Form 1099-INT to verify compliance with the reporting rules and to verify that the recipient has included the proper amount of interest on his or her income tax return.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 1099-INT is electronically enabled. IRS allows for the electronic collection of data from financial institutions. Institutions have flexibility in how that information is disclosed to their account holders.

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

This information collection will not have a significant economic impact on small businesses or other small entities.

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

A less frequent collection will not enable the IRS to verify compliance with the reporting rules and to verify proper reporting of interest by the recipient on the appropriate income tax return.

2. 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).

3. 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 August 8, 2023 (88 FR 53601), IRS received no comments during the comment period regarding this form.

4. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

5. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

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

6. 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.

7. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

OMB Collection	Authority	Form	Estimated Annual Responses	Hours per Response	Total Burden
1545-0112	CFR 1.6045-1	1099-INT	140,555,000	.33	46,383,150
1545-0112		1099-INT (Box 5) <sup>1</sup>	1,000,000	.02	20,000
	<b>IRS TOTAL</b>		<b>141,555,000</b>		<b>46,403,150</b>

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-0112 to this regulation.

1.6041-1	1.6041-7(a)	1.6041-7(b)	1.6049-4
1.6049-5	1.6049-7	1.67-3T	1.860D-1
1.860F-4	31.3406(a)(b)(c)(d)(e)(g)(h)		31.6011(a)-10
31.6051-4	31.6302(c)-1	31.6413(a)-3	35a.3406-2(c)
35a.3406-2(g)	35a.3406-2(k)(2)(c)	35a.9999-3, Q/A 89	LR 233-82
LR 244-82	LR 289-82	1.6045-1	

8. 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.

9. 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

<sup>1</sup> Box 5 burden is calculated separately to show the shares of investment expenses of a single class Real Estate Mortgage Investment Conduit (REMIC), which is not deductible and is reported separately.

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.

<b>Product</b>	<b>Aggregate Cost per Product (factor applied)</b>	<b>Printing and Distribution</b>	<b>Government Cost Estimate per Product</b>
1099-INT	\$53,877	\$18,054	\$71,931
Instr 1099INT&OID	\$ 8,725	-0-	\$ 8,725
<b>Grand Total</b>	<b>062,602</b>	<b>\$18,054</b>	<b>080,656</b>
Table costs are based on 2022 actuals obtained from IRS Chief Financial Officer and Media and Publications			
* New product costs will be included in the next collection update.			

10. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. IRS is making this submission to renew the OMB approval.

11. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

12. 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 form sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

13. 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.

