

**SUPPORTING STATEMENT**  
Internal Revenue Service  
Revenue Procedure 99-50, Combined Information Reporting  
OMB Control Number 1545-1667

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code (IRC) section 6011(a) provides that, when required by regulations, any person made liable for any tax imposed by the Code, or for the collection of the tax, must make a return or statement according to the forms and regulations prescribed by the Secretary.

Revenue Procedure 99-50 permits combined information reporting by a successor business entity (i.e., a corporation, partnership, or sole proprietorship) in certain situations following a merger or an acquisition. This revenue procedure explains both the procedure otherwise required under the regulations (the “standard procedure”) and an elective procedure (the “alternative procedure”) for preparing and filing certain information returns in certain situations involving a successor business entity and a predecessor business entity (i.e., a corporation, partnership, or sole proprietorship) when the successor acquires substantially all of the property (1) used in the trade or business of the predecessor (including certain situations when one or more corporations are absorbed by another corporation pursuant to a merger agreement), or (2) used in a separate unit of a trade or business of the predecessor. The procedures prescribed in this revenue procedure apply to certain Forms 1042-S, all forms in the series 1098, 1099, and 5498, Form W-2G, Form 1097, Form 3921, and Form 3922. See the 2025 General Instructions for Certain Information Returns in supplementary documents.

If the alternative procedure is elected, the successor must file a statement with the IRS indicating what forms are being filed on a combined basis.

**2. USE OF DATA**

The data will be used by the Internal Revenue Service (IRS) to assist the IRS in processing the forms filed by the alternative procedure. This information is required to aid the IRS in processing certain Forms 1042-S, all forms in the series 1098, 1099, and 5498, Form W-2G, Form 1097, Form 3921, and Form 3922 filed by successors who use the alternative procedure, reconcile discrepancies between the amounts reported on Forms 945 and Forms 1099 and W-2G filed by both predecessors and successors who use the alternative procedure, and reconcile discrepancies between the amounts reported on Forms 1042-S and Forms 1042 filed by predecessors and successors who use the alternative procedure.

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

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of information in this submission.

**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**

The information will be used by the IRS to determine how a business entity is reporting required information on certain information returns. If this information is collected less frequently, it would compromise the Agency's ability to enforce tax compliance. Tax compliance is a vital part of the government's ability to meet its mission and serve the public.

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**

We received no comments during the comment period in response to the Federal Register notice (90 FR 7806), dated January 22, 2025.

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 "Business Master File (BMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under "Business Master file

(BMF)” 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 PIAs can be found at <https://www.irs.gov/privacy-disclosure/privacy-impact-assessments-pia>.

Title 26 U.S.C. 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 the use of taxpayer identification numbers (TINs) in IRS systems.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Revenue Procedure 99-50 requires a successor business entity using the alternative method to provide a statement indicating what forms are being filed on a combined basis. The IRS anticipates that there will be approximately 6,900 respondents annually, and the estimated average response time is 5 minutes per respondent. The total estimated reporting burden amounts to 575 hours.

<b>Authorit y</b>	<b>Descriptio n</b>	<b># of Respondent s</b>	<b># Responses per Responden t</b>	<b>Annual Response s</b>	<b>Hours per Respon se</b>	<b>Total Burde n</b>
IRC § 6011	Rev. Proc 99-50	6,900	1	6,900	.08	575
<b>Totals</b>		<b>6,900</b>		<b>6,900</b>		<b>575</b>

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There is no annualized cost burden to respondents.

**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. The IRS estimates have determined that the cost of developing, printing, distribution and overhead for the revenue procedure is nominal.

**15. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB. However, the number of responses was updated based on current filing data. This increases the number of responses by 900 and the burden hours by 75 annually due to Agency Estimate.

	<b>Requested</b>	<b>Program Change Due to New Statute</b>	<b>Program Change Due to Agency Discretion</b>	<b>Change Due to Adjustment in Agency Estimate</b>	<b>Change Due to Potential Violation of the PRA</b>	<b>Previously Approved</b>
Annual Number of Responses for this IC	6,900	0	0	900	0	6,000
Annual Time Burden (Hr)	575	0	0	75	0	500

**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**

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the information collection expires as of the expiration date. Taxpayers may not 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.