

SUPPORTING STATEMENT  
Internal Revenue Service (IRS)  
Treasury Decision 9308  
Reporting Requirement for Widely Held Fixed Investment Trusts  
OMB Control Number 1545-1540

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The collections of information in Treasury Decision (TD) 9308 are in Treasury Regulations §1.671-5. The information is required to enable unit interest holders to report items of income, deduction, and credit of a widely held fixed investment trust in compliance with Internal Revenue Code (IRC) section 671. In addition, this information will be used by the Internal Revenue Service (IRS) to insure those items are reported accurately by unit interest holders in these trusts.

Under §1.671-5, the trustee or the middleman who holds an interest in these trusts for an investor will be required to provide a Form 1099 to the IRS and a tax information statement to the investor. The trust is also required to provide more detailed tax information to middlemen and certain other persons, upon request.

2. USE OF DATA

The information will be used in determining a unit interest holder's taxable income and credits and in auditing taxpayers.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of Forms 1099 as required by §1.671-5 of the regulation is currently available.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use of adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESS 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

This information is used by the IRS to ensure that items of income, deduction, and credit of a widely held fixed investment trust are reported accurately by unit interest holders in these trusts. A less frequent collection will prevent the IRS from auditing taxpayers and determining a unit interest holder's taxable income and credits. This could result in the IRS being unable to meet 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

The agency received no comments during the comment period in response to the Federal Register notice dated March 27, 2025 (90 FR 13994).

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 “Information Returns Processing” system, and a Privacy Act System of Records notice (SORN) has been issued for these systems under Treasury/IRS 22.061 – Information Return Master File; Treasury/IRS 24.030 - Customer Account Data Engine (CADE) Individual Master File; Treasury/IRS 24.046 - CADE Business Master File (BMF); Treasury/IRS 34.037 - Audit Trail and Security Records. 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 social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Under Treasury Regulations §1.671-5, the trustee or the middleman who holds an interest in these trusts for an investor will be required to provide a Form 1099 to the IRS and a tax information statement to the investor. The trust is also required to provide more detailed tax information to middlemen and certain other persons, upon request.

The agency estimates that approximately 1,200 respondents comprised of trustees and brokerage firms will be affected by these regulations. As these trustees and middlemen already have an obligation to file a form (either Form 1099 or Form 1041) with the IRS, and provide tax reporting information to the actual investors, we estimate that it will take each respondent an average of an extra 2 hours to submit the more detailed and accurate information we are requesting. The total burden of this reporting requirement is 2,400 hours.

<b>Authority</b>	<b>Description</b>	<b># of Respondents</b>	<b># Responses per Respondent</b>	<b>Annual Responses</b>	<b>Hours per Response</b>	<b>Total Burden</b>
IRC § 671	Treas. Reg. § 1.671-5	1,200	1	1,200	2	2,400
Totals		1,200	1	1,200	2	2,400

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

This information collection will be included in the consolidated OMB submission for information returns currently being developed. IRS is working on the methodology for evaluating information return burden and cost; and will update the cost and burden estimates as part of the consolidation.

14. ESTIMATED ANNULIZED COST TO THE FEDERAL GOVERNMENT

There are no annualized costs to the Federal government outside of regular agency activities such as taxpayer assistance and enforcement.

15. REASONS FOR CHANGE IN BURDEN

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

	<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	1,200	0	0	0	0	1,200
Annual IC Time Burden (Hours)	2,400	0	0	0	0	2,400

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 IN APPROPRIATE

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the document expires 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.