**SUPPORTING STATEMENT**

**Internal Revenue Service (IRS)**

**Notice of Expatriation and Waiver of Treaty Benefits**

**Form W8-CE**

**OMB Control Number 1545-2138**

1. **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

 Congress passed Public Law PL 110-245 Section 301 created the Internal Revenue Code (IRC) section 877A. Affected taxpayers must make certain representations to banks or other trustees. Form W-8CE (Notice of Expatriation and Waiver of Treaty Benefits), allows taxpayers to notify a payer that they are a covered expatriate individual subject to special tax rules.

1. **USE OF DATA**

Information used by a taxpayer to notify a payer of expatriation so that a payer applies the proper tax treatment. The taxpayer is required to file this form to obtain any benefit accorded by the statute. IRS uses this information to ensure the correct tax computation is made and proper compliance to the tax law.

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

 The IRS has no plans to offer electronic filing as these are recordkeeping and third-party disclosure requirements only.

1. **EFFORTS TO IDENTIFY DUPLICATION**

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

1. **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**

 The information required is needed to verify compliance with the IRC. Consequences of less frequent collection would result in the IRS being unable to verify Form W-8CE, thereby jeopardizing the ability of the IRS to meet its mission.

1. **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).

1. **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 January 24, 2025 (90 FR 8169), we received no comments during the comment period regarding Form W8-CE.

1. **EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

 No payment or gift has been provided to any respondents.

1. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

 Generally, tax returns and tax return information are confidential as required by 26 U.S.C. 6103.

1. **JUSTIFICATION OF SENSITIVE QUESTIONS**

No personally identifiable information (PII) is collected by the IRS as these are third-party disclosures and record-keeping requirements.

1. **ESTIMATED BURDEN OF INFORMATION COLLECTION**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Form | Description | # Respondents | # Responses Per Respondent | Total Annual Responses | Hours Per Response | Total Burden |
| W-8CE | Notice of Expatriation and Waiver of Treaty Benefits | 500 | 1 | 500 | 5.68 | 2,840 |
| **TOTAL** |  | **500** | **1** | **500** | **5.68** | **2,840** |

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

 The IRS expects there is no out-of-pocket cost to respondents as this is a notice to the payer of their expatriation status.

1. **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 & Instructions W-8CE |  $ 29,450  | + | 0 | = |  $ 29,450  |
| **Grand Total** |  **$ 29,450** | **+** | **0** | **=** |  **$ 29,450**  |
| Table costs are based on 2023 actuals obtained from IRS Chief Financial Office and Media and Publications |

1. **REASONS FOR CHANGE IN BURDEN**

 There have been no changes to the forms that would increase or decrease the burden.

1. **PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

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

1. **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 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.

1. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

 There are no exceptions to the certification statement.