SUPPORTING STATEMENT
Internal Revenue Service
Life Insurance Statement
OMB # **1545-0022**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The proceeds of life insurance policies on the decedent's life are subject to Federal estate tax under the rules of Internal Revenue Code section 2042. The values of insurance on the life of someone other than the decedent, but owned by the decedent at death, are subject to federal estate tax under Code section 2033. A gift of a life insurance policy subjects the value of the policy to gift tax under Code section 2511. The policies are valued for estate tax purposes under the rules of Code section 2031.

Executors file Form 712 with Form 706, 706-NA, or 709 for insurance policy or premium amounts.

2. USE OF DATA

Form 712 provides the taxpayers and the IRS with the information to determine if insurance on the decedent's life is includible in the gross estate, and to determine the value of the policy for estate and gift tax purposes.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The agency has no plans currently to offer electronic filing because of the low filing volume.

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

There is minimal to no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity.

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

Failure to collect this information, would complicate the taxpayer and the IRS ability to validate the information and determine whether insurance on the decedent's life is includible in the gross estate or determine the value of the policy for estate and gift tax purposes. This would ultimately affect the revenue needed to support the Federal government.

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 February 18, 2025, (90 FR 9802), we received no comments during the comment period regarding Form 712.

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

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

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

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Estate/Inheritance and Gift Non–Filer and Underreporter, (EGNFUR)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 42.021-Compliance Programs and Project Files. 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.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form	**Description**	**# of Respondents**	**# Responses per Respondent**	**Annual Responses**	**Hours per Response**	**Total Burden**
Form 712	Life Insurance Statement	60,000	1	60,000	24.21	1,452,600
Totals		60,000		60,000		1,452,600

Please continue to assign OMB number 1545-0022 to these regulations.

25.6001-1(b) 20.6018-4

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

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 712	$27,346	+	$0	=	$27,346
Grand Total	**$27,346**		**$0**		**$27,346**
Table costs are based on FY23 actuals obtained from IRS Chief Financial Office and Media and Publications					

15. REASONS FOR CHANGE IN BURDEN

There are no changes being made to the Form 712. However, updates to calculations for the time to respond will result in a burden change of 332,400 burden hours.

	Requested	Program Change Due to New	Program Change Due to Agency	Change Due to Adjustment	Change Due to Potential	Previously Approved

		Statute	Discretion	in Agency Estimate	Violation of the PRA	
Annual Number of Responses for this IC	60000	0	0	0	0	60000
Annual IC Time Burden (Hours)	1452600	0	0	332400	0	1120200

This submission is being made for renewal purposes.

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 collection sunsets as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of 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.