

## **Supporting Statement**

Internal Revenue Service

Application for Withholding Certificate for Dispositions by  
Foreign Persons of U.S. Real Property Interests (Form 8288-B)

OMB Control Number 1545-1060

### **1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code (IRC) section 1445 requires transferees to withhold tax on the amount realized from sales or other dispositions by foreign persons of U.S. real property interests.

Sections 1445(b) and (c) allow the withholding to be reduced or eliminated under certain circumstances. Regulations sections 1.1445-3 and -6 provide for an application for a withholding certificate to Internal Revenue Service (IRS) by the transferor or transferee for the reduction or elimination of withholding. Form 8288-B was developed for the application.

Form 8288-B is used to apply for a withholding certificate to reduce or eliminate withholding on dispositions of U.S. real property interests by foreign persons, but only if the application is based on a claim that the transferor is entitled to nonrecognition treatment or is exempt from tax, a claim solely on a calculation that shows the transferor's maximum tax liability is less than the tax otherwise required to be withheld, or a claim that the special installment sales rules described in section 7 of Rev. Proc. 2000-35 allowed reduced withholding.

### **2. USE OF DATA**

The IRS uses the information collected to verify compliance with section 1445 and its regulations.

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

There are no plans to provide electronic filing due to the low number of filers.

### **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 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**

The information required is needed to verify compliance with the IRC of the Treasury Regulation 1.1445-2. A less frequent collection of information would not allow IRS to determine whether withholding should be reduced or eliminated or whether a withholding certificate should not be issued.

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 26414), dated June 20, 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)” and a Privacy Act System of Records notice (SORN) has been issued for these systems under; IRS 24.030 - Individual Master File, IRS 24.046 - Customer Account Data Engine Business Master File and 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 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.

The Privacy Act statement associated with this attachment is listed in the instructions.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Form 8288-B is used to issue withholding certificate to reduce or eliminate withholding under section 1445.

It is anticipated that there will be 2,600 respondents that respond once with a response time of 5 hours 46 minutes totaling 15,002 burden hours.

The burden estimate is as follows:

Authority	Description	# of Respondents	# of Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC § 1445	Form 8288-B	2,600	1	2,600	5.77	15,002
Totals		2,600		2,600		15,002

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

The IRS currently estimates the cost burden on respondents to be nominal. There are no start-up or maintenance costs for this collection. The collection does not require respondents to obtain specialized equipment or professional services.

**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 startup expenses, operating and maintenance expenses, and distribution of the product that collects the information. These costs do not include any activities such as taxpayer assistance and enforcement.

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.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>		<u>Printing and Distribution</u>		<u>Government Cost Estimate per Product</u>
Form 8288-B	\$23,348	+	\$0	=	\$23,348
Table costs are based on 2023 actuals obtained from IRS Chief Financial Office and Media and Publications					

#### 15. **REASONS FOR CHANGE IN BURDEN**

There were no changes made to the forms that resulted in any change to the burden previously reported to OMB. However, the number of responses was updated based on current filing data. This increases the number of responses by 2,092 and the burden hours by 12,050 annually due to Agency Estimate.

	<b>Total Requested</b>	<b>Change Due to New Statute</b>	<b>Change Due to Agency Discretion</b>	<b>Change Due to Adjustment in Estimate</b>	<b>Change Due to Potential Violation of the PRA</b>	<b>Previously Approved</b>
Annual Number of Responses	2,600	0	0	2,092	0	508
Annual Time Burden (Hr.)	14,976	0	0	12,050	0	2,926

#### 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 believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the forms expire 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 for this collection.