

**SUPPORTING STATEMENT**  
**Internal Revenue Service (IRS)**  
**Return of Excise Tax on Undistributed Income of Real Estate Investment Trusts**  
**Form 8612**  
**OMB Number 1545-1013**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 4981 of the Internal Revenue Code requires a 4 percent excise tax on undistributed income of real estate investment trusts. The tax is imposed on a calendar year. The filing of an annual excise tax return is necessary to correctly report and pay the tax on a calendar year basis. Form 8612 is used by real estate investment trusts (REITs) to figure and pay the excise tax on undistributed income under section 4981.

**2. USE OF DATA**

Form 8612 provides the Internal Revenue Service (IRS) with the information necessary to verify that the tax has been correctly figured.

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

IRS has no plans to offer electronic filing for Form 8612 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 or use or adaption 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 required is needed to verify compliance with section 4981 of the Internal Revenue Code of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting 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).

### **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 June 17, 2025 (90 FR 25748), we received no comments during the comment period regarding these regulations.

### **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 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 "Individual Master File (IMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.030-CADE Individual Master File and IRS 34.037 IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at <http://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**

The filing of an annual excise tax return is necessary to correctly report and pay the tax on a calendar year basis. The agency estimates that there are 20 responses and estimates that it will take an average of 9.80 hours per response for a total burden estimate to be 196 hours.

Form	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
Form 8612	Return of Excise Tax on Undistributed Income of Real Estate Investment Trusts	20	1	20	9.80	196
Totals		20	1	20	9.80	196

### 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 8612	\$ 19,417	+	0	=	\$ 19,417
<b>Grand Total</b>	<b>\$ 19,417</b>	<b>+</b>	<b>0</b>	<b>=</b>	<b>0 19,417</b>
Table costs are based on 2023 actuals obtained from IRS Chief Financial Office and Media and Publications					

### 1. REASONS FOR CHANGE IN BURDEN

Revisions to the form were made to comply with Executive Order 14247, that requires every payment from the IRS to be eligible for direct deposit. The revision to the form is not substantively changing the use of the form or the data being collected.

There is no change to the paperwork burden previously approved by OMB. IRS is making this submission 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**

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form expires as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of the 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.