SUPPORTING STATEMENT
Internal Revenue Service
Notice 2025-57, Transitional Guidance Regarding Returns Relating to Certain Interest on Specified Passenger Vehicle Loans Received in a Trade or Business
OMB Control Number 1545-NEW

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 70203 of the One, Big, Beautiful Bill Act (OBBBA), Public Law 119-21, amended section 163(h) and added new section 6050AA to the Internal Revenue Code (Code)[1]. Section 163(h)(4) allows a personal deduction for qualified passenger vehicle loan interest. Section 6050AA of the Code requires any person engaged in a trade or business (recipient) who, in the course of that trade or business, receives from any individual interest aggregating $600 or more for any calendar year on a specified passenger vehicle loan, to file an information return reporting the receipt of interest and furnish a statement to the individual reflecting the same information. Sections 6050AA and 163(h)(4) apply to indebtedness incurred after December 31, 2024.

2. USE OF DATA

The reporting requirements of section 6050AA allow the IRS to verify recipients' compliance with the information reporting rules and to verify that individuals deduct the proper amount of interest on their tax returns as allowed by the Code.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The IRS has no plans to offer electronic filing for 2025 as these are recordkeeping and disclosure requirements only. Currently there is no electronic filing because Notice 2025-57 allows interest recipients to satisfy section 6050AA with recordkeeping and disclosure only.

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

The Treasury Department and the IRS considered a delayed applicability date for section 6050AA and Notice 2025-57 for recipients that are small businesses but decided against this alternative because individuals need to know how much interest was paid in 2025 to help them determine the amount of qualified passenger vehicle loan interest (QPVLI) that is deductible under section 163(a).

---

1 Unless otherwise stated, all section references are to the Internal Revenue Code of 1986 (as amended) or to the regulations thereunder.

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

The information returns and customer statements required by section 6050AA are required to be filed and furnished annually. A less frequent collection will not enable individuals to determine how much interest may be QPVLI that is deductible on their annual income tax returns.

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 OBBBA was signed into law on July 4, 2025, and section 6050AA and section 163(h)(4), as amended, apply to indebtedness incurred after December 31, 2024. For interest received on a specified passenger vehicle loan in 2025, the information return must be filed on or before February 28, 2026 (March 31, 2026, if filed electronically), and the written statement must be furnished on or before January 31, 2026.

Due to the extraordinary circumstances and statutory deadlines for implementing Section 70203 of the OBBBA, the Department of Treasury and IRS request emergency processing of this information collection. Given the inability to seek public comment during such a short timeframe, IRS also respectfully requests a waiver from the requirement to publish a notice in the Federal Register seeking public comment during the period of Office of Management and Budget review. However, public comment will be solicited in conjunction with the subsequent extension of the approval to collect this information on the new Vehicle Loan Statement which is being developed for this purpose in future years.

The Treasury Department consulted with multiple stakeholder groups, including the National Automobile Dealers Association and the American Financial Services Association, in order to understand their operations so as to be able to minimize the burden of the collection of information. The Treasury Department also consulted with other interested agencies, including NHTSA, DOT, and IRS, in order to help streamline the process and make it easier for affected parties to comply with their reporting obligations.

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 section 6103. Additionally, Notice 2025-57 does not require information to be submitted to the IRS.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Currently, there are no sensitive questions included in this collection of information.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

IRS estimate that 8,000,000 individuals may be impacted by this collection. A reasonable burden estimate for the average time to complete the collection of information for each customer is 15 minutes (0.25 hours). IRS estimates that approximately 35,800 respondents will be impacted. IRS estimates the average time burden per respondent is 56 hours.

The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
6050AA	Vehicle Loan Interest Information Provided to Individuals	35,800	223	8,000,000	0.25	2,000,000
Totals		**35,800**				**2,000,000**

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 ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no annualized cost, as these are recordkeeping and third-part disclosure requirements.

15. REASONS FOR CHANGE IN BURDEN

This is a new paperwork burden approval. Based on the new statute, the burden for this collection of information is 8,000,000 responses and 2,000,000 hours for the total burden.

	Total Requested	Change Due to New Statute	Change Due to Agency Discretion	Change Due to Adjustment in Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	8,000,000	8,000,000	0	0	0	0
Annual Time Burden (Hr)	2,000,000	2,000,000	0	0	0	0

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 Notice 2025-57 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.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement for this collection.