

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**Vehicle Loan Interest Statement**  
**OMB Control Number 1545-2334**

**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)<sup>1</sup>. 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.

Form 1098-VLI is used to report interest of \$600 or more lenders received on a specified passenger vehicle loans during the year. Lenders provide a copy of Form 1098-VLI to the IRS and to the payer of record.

IRS Notice 2025-57 provides transitional guidance with respect to returns relating to certain interest on specified passenger vehicle loans received in a trade or business from individuals, required to be filed under Code Section 6050AA. This notice includes recordkeeping requirements that are necessary to ensure taxpayers can determine the amount of specified passenger vehicle loan interest paid or accrued in 2025.

**2. USE OF DATA**

IRS uses the information to verify recipients' compliance with the 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**

Form 1098-VLI can be filed electronically.

**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**

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

Small businesses and entities may be impacted; however, the collections have been structured to request the least amount of information and still satisfy the requirements of the statutes, regulations, and the needs of the IRS.

**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 QPVL 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**

In response to the Federal register notice dated November 26, 2025 (90 FR 54460) we have received 1 public comment. The full comments will be included within submission to the Office of Management and Budget (OMB). The summary of the comments and the IRS responses are included as attachment to the OMB submission.

**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.

**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	Form 1098-LVI	35,800	223	8,000,000	0.25	2,000,000
<b>Totals</b>		<b>35,800</b>				<b>2,000,000</b>

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

Cost estimate for product development 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. The costs to the Federal government will vary depending on whether the IRS will incur printing or copying costs for all the materials. These costs do not include any activities such as taxpayer assistance and enforcement. IRS estimates have determined that the cost of developing, printing, distribution and overhead for the form is \$31,464.

15. REASONS FOR CHANGE IN BURDEN

The collection requirements have been standardized into a form.

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 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.

