

**SUPPORTING STATEMENT**  
Internal Revenue Service (IRS)  
Dividends and Distributions  
OMB Control Number **1545-0110**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Internal Revenue Code (IRC) section 6042 and regulations section 1.6042-2 require the filing of an information return on a separate Form 1099 by any person paying dividends of \$10 or more in a calendar year. Corporations are required by IRC section 6043 and the associated regulations to make a return regarding its distributions in liquidation showing the amount of the liquidation distributions (or if in property, the fair market value).

Form 1099-DIV, *Dividends and Distributions*, is used to report: dividends (including capital gains dividends) and other distribution on stock of \$10 or more; any foreign tax paid or withheld on dividends and other distributions on stock; any federal income tax under the backup withholding rules, or amounts paid of \$600 or more as part of a liquidation. This request is being submitted to update the filing estimates and renew the OMB approval.

2. USE OF DATA

Form 1099-DIV will be used to verify compliance with the reporting rules and to verify that the recipient of the income has included the proper amount of income on his or her tax return.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of Form 1099-DIV is currently available.

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

We have attempted to minimize burden on small businesses or other small entities by closely following previous revisions of this form.

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

Consequences of less frequent collection on federal programs or policy activities, could result in taxpayers not reporting income or correct amount of tax due; thereby endangering the ability of the Internal Revenue Service (IRS), to verify that taxpayers are complying with section 6042 of the code in order to make timely and accurate assessments.

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 January 27, 2026 (91 FR 3628). We received one comment from the Tax Investment Company Institute during the comment period regarding Form 1099-DIV.

<b>Comment Number</b>	<b>Summary of public comment</b>	<b>IRS response</b>
1.	<p>Add an optional field to report RIC dividends attributable to income from federal obligations. This allows taxpayers to claim the appropriate tax exemption when filing with their states.</p> <p>Income from Treasury obligations which by Federal law are tax-exempt 31 USC 3124. Currently, there is no place on Form 1099-DIV to reflect that a RIC dividend had income from a state exempt source. Many asset managers have this information on their websites, but not all shareholders are aware of this. Some brokers give out a supplement statement to Form 1099. However, shareholders may miss this and consequently overpay their state tax liability. Updating Form 1099-DIV is both necessary and proper for both state and federal tax compliance and has significant practical utility.</p>	<p>Since this is a state and local tax administration issue, IRS needs to do further research on the implementation of this suggestion.</p>

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 “Business Master File (BMF)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Business Master File and IRS 34.037-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 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 burden estimate is as follows:

<b>Authority</b>	<b>Description</b>	<b># of Respondents</b>	<b># Responses per Respondent</b>	<b>Annual Responses</b>	<b>Hours per Response</b>	<b>Total Burden</b>
IRC 6042	Form 1099-DIV	110,115,626	1	110,115,626	.47 hours (28 minutes)	51,754,344
Totals		110,115,626		110,115,626		51,754,344

The following regulations impose no additional burden:

- 1.6042-1            1.67-2T
- 1.6042-2            35A.9999-3, Q/A-89
- 1.6042-4(a)(b)    5c.305-1
- 1.6043-2

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the form.

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

The estimated annualized cost to the Federal Government is based on a model that considers the following three 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 Federal Government estimated annualized cost per product.

The Federal Government estimated annualized cost is as follows:

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>		<u>Printing and Distribution</u>		<u>Government Cost Estimate per Product</u>
Form 1099-DIV	\$39,025	+	\$39,464	=	\$78,489
Instructions 1099-DIV	\$6,504	+	\$993	=	\$7,497
Grand Total	\$45,529	+	\$40,457	=	\$85,986
Table costs are based on 2024 actuals obtained from IRS Chief Financial Office and Media and Publications					

15. REASONS FOR CHANGE IN BURDEN

We are submitting this request for renewal purposes only. There are no changes to the form; however, there are burden changes due to Agency Estimate. Current filing estimates increase the estimated annual respondents by 13,818,860 which increase the burden by 6,494,863 hours.

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

We believe 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.