SUPPORTING STATEMENT
Internal Revenue Service
Original Issue Discount
OMB# **1545-0117**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

   Internal Revenue Code (IRC) section 6049 requires payers of original issue discount (OID) of $10 or more to file a return showing the OID for the calendar year for each payee. Regulation sections 1.6049-4 and 1.6049-7 require that Form 1099-OID be used to report OID.

   This request is being submitted to update the filing estimates and renew the OMB approval.

2. USE OF DATA

   IRS uses the data to verify that recipients are correctly reporting original issue discount on their tax returns.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

   Electronic filing of Form 1099-OID 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

   The information required is needed to verify compliance with the Internal Revenue Code section 6049 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.

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

   Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 1099-OID.

   In response to the *Federal Register* notice dated December 19, 2025, (90 FR 59656). We received no comments during the comment period regarding Form 1099-OID.

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; Treas/IRS 24.030 Individual Master File. 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

IRC section 6049 requires payers of original issue discount (OID) of $10 or more to file a return showing the OID for the calendar year for each payee. Regulations sections 1.6049-4 and 1.6049-7 require that Form 1099 be used to report OID. The agency estimates that 5,832,633 responses will be received from 9,185 respondents, taking an estimated .39 hours to complete for an estimated annual burden of 2,274,727 hours.

Form Number	Description	# Respondents	# Responses Per Respondent-Approximate	Total Annual Responses	Hours Per Response	Total Burden
1099-OID	Original Issue Discount	9,185	635	5,832,633	.39 hours	2,274,727
TOTAL		9,185	635	**5,832,633**	.39 hours	**2,274,727**

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:

Product	Aggregate Cost per Product (factor applied)		Printing and Distribution		Government Cost Estimate per Product
Form 1099-OID	$41,193	+	0	=	$41,193
Instructions 1099-OID	$8,672	+	0	=	$8,672
Grand Total	$49,865	+	0	=	$49,865
Table costs are based on 2024 actuals obtained from IRS Chief Financial Office and Media and Publications					

15. REASONS FOR CHANGE IN BURDEN

The form 1099-OID has not changed, but IRS has updated its estimate of the time necessary to complete the form from 0.23 hours (13.8 minutes) to 0.39 hours (23.4 minutes) per response. The number of estimated respondents has increased by 1.421 million. The updated annual time estimate will increase the burden by 554,398 hours.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	5,832,633	0	0	1,421,533	0	4,411,100
Annual IC Time Burden (Hours)	2,274,727	0	0	554,398	0	1,720,329
Annual IC Cost Burden (Dollars)	0	0	0	0	0	0

We are submitting this request to update the burden estimates and 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

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form 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.