SUPPORTING STATEMENT
Internal Revenue Service
Application to Adopt, Change, or Retain a Tax Year
Form 1128
OMB #1545-0134

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 442 of the Internal Revenue Code (IRC) requires that a change in a taxpayer's annual accounting period be approved by the Secretary. Under section 1.442-1(b) of the Income Tax Regulations, a taxpayer must file Form 1128 to secure prior approval unless the taxpayer can automatically make the change.

2. USE OF DATA

This data is used by Internal Revenue Service (IRS) to ascertain whether a taxpayer has a business purpose for making the change. Consideration will be given as to whether the taxpayer has complied with the regulations and established a business purpose for making the change. The agreement between the taxpayer and IRS under which the change will be made shall, if appropriate, provide terms, conditions, and adjustments necessary to prevent a substantial distortion of income.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The IRS has no plans to offer electronic filing because of the low volume of filers.

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 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

In order to secure the approval of the Commissioner to adopt, change, or retain an annual accounting period, a taxpayer must file an application, generally on Form 1128, "Application To Adopt, Change, or Retain a Tax Year," with the Commissioner within such time and in such manner as is provided in administrative procedures published in TD 8996.

Failure to collect the information will prevent taxpayers from adopting, changing, or retaining an annual accounting period.

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 March 17, 2026 (91 FR 12907), we received no comments during the comment period regarding Form 1128.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift will be 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:
Treas/IRS 24.046 BMF/Treas/IRS 34.047 Audit trail and security records system

The Internal Revenue Service PIA's 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 for individual filers is being reported under 1545-0074 and business filers are being reported under 1545-0123 and tax-exempt filers reported under 1545-0047. These estimates are for estate and trust filers.

Authority	Description	Number of Responses	#Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §442	Form 1128 PT I & II	4995	1	4,995	20.73	103,546
IRC §442	Form 1128 PT I & III	1,283	1	1,283	35.31	45,312
Totals		**6,278**		**6,278**		**148,847**

The IRS has reviewed the following regulations and has determined that the reporting requirements contained in them are entirely reflected on the form. The justification appearing in Item I of the supporting statement applies both to these regulations and to the form. Please continue to assign OMB number 1545-0134 to these regulations.

1.442-1
1.706-1(b)

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

This information collection will be included in the consolidated OMB submission for Estate and Trust returns. IRS has a methodology for evaluating estate and trust 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 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 1128	30,572	+	0	=	30,572
Instructions	8,735	+	0	=	8,735
Total	**39,307**	**+**	**0**	**=**	**39,307**
Table costs are based on 2025 actuals obtained from IRS Chief Financial Office and Media and Publications					

15. REASONS FOR CHANGE IN BURDEN

IRS is making this submission for renewal purposes. The previously approved burden has been adjusted to eliminate duplicated burden associated with tax-exempt filers, which is accounted for under OMB Control Number 1545-0047.

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 form expires 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.