SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Exception from the information reporting requirements in section 6045(e)
OMB Control No. **1545-1592**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 6045(e) and § 1.6045–4 of the Income Tax Regulations generally requires a real estate reporting person (as defined in § 6045(e)(2) and § 1.6045–4(e)) to file an information return regarding a real estate transaction and to furnish a payee statement to the seller regarding that transaction.

Section 312 of the Taxpayer Relief Act of 1997 (TRA 1997), Pub. L. No. 105–34, 111 Stat. 788 (August 5, 1997), as amended by the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. No. 105–206, 112 Stat. 805 (July 22, 1998), effective for sales or exchanges after May 6, 1997, amended § 6045(e) by adding a new paragraph (5), which excepts a sale or exchange of a principal residence from the § 6045(e) information reporting requirements if the seller provides the real estate reporting person with a certification setting forth certain written assurances, including an assurance that the residence is the seller’s principal residence (within the meaning of § 121) and an assurance that the full amount of the gain on the sale or exchange of the principal residence is excludable from gross income under § 121.

Revenue Procedure 2007-12 sets forth the acceptable form of the written assurances (certification) that a real estate reporting person must obtain from the seller of a principal residence to except the sale or exchange of such principal residence from the information reporting requirements for real estate transactions under § 6045(e)(5) of the Internal Revenue Code.

This submission requests renewal of the OMB approval.

2. USE OF DATA

The Service does not receive the certification. Instead, the real estate reporting person retains the certification for four years to substantiate reliance on the reporting exception provided by section 6045(e)(5) and Revenue Procedure 2007-12.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Because this collection consists solely of a certification retained by the real estate reporting person and related recordkeeping requirements, there is no IRS filing requirement and no electronic filing option.

4. <u>EFFORTS TO IDENTIFY DUPLICATION</u>

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. <u>METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES</u>

This collection imposes minimal burden on small businesses because the certification requirement primarily applies to individual sellers of principal residences. Real estate reporting persons are only required to retain the certification if they rely on it to claim the reporting exception.

6. <u>CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES</u>

Without this certification, real estate reporting persons generally could not rely on the statutory exception under section 6045(e)(5) and would instead be required to report qualifying real estate transactions on Form 1099-S.

This information is necessary to determine whether the sale or exchange should be reported to the seller, and to the Internal Revenue Service on Form 1099–S, *Proceeds from Real Estate Transactions*.

7. <u>SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)</u>

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. <u>CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS</u>

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 the burden contained in this revenue procedure.

In response to the Federal Register notice (91 FR 5036), dated February 3, 2026, we received no comments during the comment period regarding this guidance.

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 Treas./IRS 24.046-Customer Account Data Engine Business Master File and Treas./IRS 34.047-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

Section 4 of the revenue procedure requires that a real estate reporting person obtain the certification from each seller of a principal residence to be exempt from filing an information return with the Service and from furnishing a payee statement to the seller reporting the real estate transaction. We estimate that approximately 2,300,000 sellers will make the certification and that it will take approximately 10 minutes to make the certification. The total time estimate for taxpayers to meet this requirement is 383,000 hours.

Section 5 of the revenue procedure requires that the real estate reporting person retain the certification for 4 years after the year of the real estate transaction. We estimate that approximately 90,000 real estate reporting persons will be obliged to retain the certification and that it will take approximately 25 minutes per year to retain the certifications. The total time estimate for real estate reporting persons to meet this requirement is 37,500 hours.

The combined estimated totals are 2,300,000 estimated responses and 420,500 hours.

Document	Total Number of Respondents	Responses Per Respondents	Annual Responses	Time Burden Per Response	Total Annual Burden Hours
Rev. Proc. 2007-12 (sec. 4)	2.300,000	1	2,300,000	10 mins	383,000 hrs.
Rev. Proc. 2007-12 (sec. 5)	90,000*	1	90,000*	25 mins	37,500 hrs.
Totals	**2,300,000**		**2,300,000**		**420,500 hrs.**
*Portion of original respondents.					

The following regulations impose no additional burden:

1.6045-4

Please continue to assign OMB number 1545-1592 to these regulations.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

We estimate that any costs not captured in the burden hours, such as capital or start-up costs and operation, maintenance, or service costs, are nominal.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no annualized cost to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB.

	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	2,300,000	0	0	0	0	2,300,000
Annual IC Time Burden (Hours)	420,500	0	0	0	0	420,500
Annual IC Cost Burden (Dollars)	0	0	0	0	0	0

This submission requests renewal of OMB approval without change.

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

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the forms expire 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.