

**SUPPORTING STATEMENT  
(1099-MISC)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

IRS section 6041 requires an information return to be filed for payments of \$600 or more in rents, prizes and awards (but not for services rendered), medical payments by health insurers, and nonemployee compensation. Section 6041A requires any fishing boat proceeds to be reported. Section 6050N requires royalties of \$10 or more to be reported. Section 6045(d) requires substitute payments in lieu of tax-exempt interest or dividends made by brokers to be reported. Section 4999 requires a tax on excess golden parachute payments. Form 1099-MISC is used to report all of these payments.

**2. USE OF DATA**

IRS uses the information to verify compliance with the reporting rules and to verify that the recipient has included the proper amount of income on his or her income tax return.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

Form 1099-MISC is electronically enabled.

**4. EFFORTS TO IDENTIFY DUPLICATION**

We have attempted to eliminate duplication within the agency wherever possible.

**5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES**

Not applicable.

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

Not applicable.

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

Not applicable.

**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-MISC.

In response to the Federal Register Notice dated October 11, 2012 (77 FR 61830), we received no comments during the comment period regarding Form 1099-PATR.

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

Not applicable.

**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**

Not applicable.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

<u>Form</u>	<u>No.of</u>	<u>Time per Responses</u> <u>Response</u>	<u>Total</u> <u>Hours</u>
Form 1099-MISC			79, 480 ,844  .31 24, 639 ,06 2

Estimates of the annualized cost to respondents for the hour burdens shown above are not available at this time.

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0115 to these regulations:

1.6041-1(a)	1.6041A-1
1.6041-1(d)	1.6045-2(a)
1.6041-1(e)	1.6045-2(f)
1.6041-1(g)	1.6050A-1
1.6041-4(a)	1.6050-2
1.6041-6	35a.9999-3 Q/A 89

We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on Form 1099-MISC. The justification appearing in Item 1 of Supporting Statement applies both to these regulations and to Form 1099-MISC.

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

As suggested by OMB, our Federal Register Notice dated October 11, 2012, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The primary cost to the government consists of the cost of printing Form 1099-MISC. We estimate that the cost of printing the form is \$346,896.

**15. REASONS FOR CHANGE IN BURDEN**

There are no changes being made to the form at this time.

This submission is being made for renewal purposes.

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

Not applicable.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

See attachment.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I**

Not applicable.

**Note:** The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.