

SUPPORTING STATEMENT
Revenue Procedure 99-50
OMB# 1545-1667

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This revenue procedure permits combined information reporting by a successor business entity (*i.e.*, a corporation, partnership, or sole proprietorship) in certain situations following a merger or an acquisition. This revenue procedure explains both the procedure otherwise required under the regulations (the “standard procedure”) and an elective procedure (the “alternative procedure”) for preparing and filing certain Forms 1042-S, all forms in the series 1098, 1099, and 5498, and Forms W-2G, in certain situations involving a successor business entity and a predecessor business entity (*i.e.*, a corporation, partnership, or sole proprietorship) when the successor acquires substantially all of the property (1) used in the trade or business of the predecessor (including certain situations when one or more corporations are absorbed by another corporation pursuant to a merger agreement), or (2) used in a separate unit of a trade or business of the predecessor.

If the alternative procedure (*i.e.*, combined filing of information returns by the successor on behalf of the successor and the predecessor) is elected, the successor must file a statement with the IRS indicating what forms are being filed on a combined basis.

2. USE OF DATA

The required statement is needed to assist the Service in processing the forms filed by the alternative procedure. This information is required to aid the Service in processing Forms 1042-S, forms in the series 1098, 1099, and 5498, and Forms W-2G filed by successors who use the alternative procedure, reconcile discrepancies between the amounts reported on Forms 945 and Forms 1099 and W-2G filed by both predecessors and successors who use the alternative procedure, and reconcile discrepancies between the amounts reported on Forms 1042-S and Forms 1042 filed by predecessors and successors who use the alternative procedure.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

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

There are no small entities affected by this collection.

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 a decreased amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

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

Revenue Procedure 99-50 was published in the Internal **Revenue Bulletin** on December 27, 1999 (1999-52 IRB 757).

We received no comments during the comment period in response to the **Federal Register** notice (80 FR 44425), dated July 27, 2015.

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)" and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 – Electronic Filing Records; IRS 24.030 – Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's can be found at <http://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 collection of information is contained in section 5 of the revenue procedure which requires the filing of a statement that the alternative procedure has been elected. The estimated annual burden to prepare the statement is 5 minutes. The estimated number of respondents that will elect to use the alternative procedure is 6,000, therefore the estimated total annual burden is 500 hours.

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no estimated cost burden to respondents.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no estimated annualized cost to the federal government.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

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 revenue procedure sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service 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 ON OMB FORM 83-I

There are no exceptions to the certification statement.

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.