

SUPPORTING STATEMENT
Internal Revenue Service
Forms 8966, 8957, 8966-C, 8809-I and 8508-I
OMB No. 1545-2246

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

On March 18, 2010, the Hiring Incentives to Restore Employment Act of 2010, Public Law 111-147 (the HIRE Act), added chapter 4 of Subtitle A (chapter 4), comprised of sections 1471 through 1474, to the Code. Chapter 4 generally requires U.S. withholding agents to withhold tax on certain payments to foreign financial institutions (FFIs) that do not agree to report certain information to the Internal Revenue Service (IRS) regarding their United States accounts (U.S. accounts), and on certain payments to certain nonfinancial foreign entities (NFFE) that do not provide information on their substantial United States owners (substantial U.S. owners) to withholding agents.

Since the enactment of chapter 4, the Department of the Treasury (Treasury Department) and the IRS have issued preliminary guidance on the implementation of chapter 4. See Notice 2010-60 (2010-37 I.R.B. 329), Notice 2011-34 (2011-19 I.R.B. 765), and Notice 2011-53 (2011- 32 I.R.B. 124) (collectively, the FATCA Notices).

Form 8966, FATCA Report: The information is to be used by a responsible officer of a foreign institution to apply for a foreign account tax compliance Act individual identification number as defined in IRC 1471(b)(2).

Form 8966-C, Cover Sheet for Form 8966 Paper Submissions, is a cover sheet for those submitting a paper version of Form 8966.

Form 8957, Foreign Account Tax Compliance Act (FATCA) Registration: The information is to be used by a foreign financial institution to apply for status as a foreign financial institution as defined in IRC 1471(b)(2).

Form 8809-I, Application for Extension of Time to File FATCA Form 8966, is an application for an extension of time to file Form 8966.

Form 8508-I, Request for Waiver From Filing Information Returns Electronically, is a request for a waiver from filing Form 8966 electronically.

The FATCA Notices are available at IRS.gov.

2. USE OF DATA

The form is used by IRS to verify compliance with sections 1471 through 1474 of the Internal Revenue Code, which generally requires U.S. withholding agents to withhold tax on certain payments to foreign financial institutions (FFIs) that do not agree to report certain information to the Internal Revenue Service (IRS) regarding their United States accounts (U.S. accounts), and on certain payments to certain nonfinancial foreign entities (NFFE) that do not provide information

on their substantial United States owners (substantial U.S. owners) to withholding agents.

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. The agency is offering electronic filing of Forms 8966, 8809 and 8957. There are no plans at this time to offer electronic filing for Form and 8508-I because of the low volume compared to the cost of electronic enabling. Form 8966 C is the cover sheet for paper submissions, so electronic filing is not appropriate for this form.

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**

There are no small businesses or other small entities affected by this form.

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

A less frequent collection will not enable the IRS to meet its mission by verifying the foreign tax credits are being computed properly and in accordance with Internal Revenue Code § 26 USC sections 1471 through 1474, and will 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**

In response to the Federal Register notice dated September 18, 2018 (83 FR 47241), we received no comments during the comment period for these revenue procedures.

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 “Foreign Account Tax Compliance Act - Foreign Finan., FATCA-FFIR” system and four Privacy Act System of Records notices (SORN) have been issued for this system under IRS: 42.017, International Enforcement Program Files; 42.021, Compliance Programs and Project Files; 24.030, Customer Account Data Engine Individual Master File; and 34.037, IRS Audit Trail and Security Records System. The Department of Treasury PIAs can be found at <https://www.treasury.gov/privacy/PIAs/Pages/default.aspx> .

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

| Form | Description | # Respondents | # Responses Per Respondent | # Annual Responses | Hours Per Response | Total Burden |
|--------------|---|---------------|----------------------------|--------------------|--------------------|--------------|
| 8966 | FATCA Report | 30620 | 1 | 30620 | 8.14 | 249247 |
| 8957 | Foreign Account Tax Compliance Act (FATCA) Registration | 5429560 | 1 | 5429560 | .42 | 2280415 |
| 8966-C | Cover Sheet for Form 8966 Paper Submissions | 1000 | 1 | 1000 | .12 | 120 |
| 8809-I | Application for Extension of Time to File FATCA Form 8966 | 50000 | 1 | 50000 | 3.36 | 168000 |
| 8508-I | Request for Waiver From Filing Information Returns Electronically | 50000 | 1 | 50000 | 4.29 | 214500 |
| TOTAL | | 5,561,180 | | 5,561,180 | | 2,912,282 |

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

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 \$134,580.

15. REASONS FOR CHANGE IN BURDEN

The agency has updated the annual number of response estimates based on its most recent filing data. Form 8957 had a decrease in the annual number of responses of -229,380 responses (260,000 to 30,620). This change decreased the annual time burden estimate by 1,867,153 hours. Form 8966 had an increase in burden of 792,760 responses, which increased the time burden estimate by 332,959 hours (1,947,456 hours to 2,280,415 hours). These changes in form estimates results in an overall increase of responses (563,380) and a decrease in the overall annual time burden estimate of 1,534,194 hours (4,446,476 to 2,912,282).

| | 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 | 5,561,180 | 0 | 0 | 563,380 | 0 | 4,997,800 |
| Annual Time Burden (Hr) | 2,912,282 | 0 | 0 | -1,534,194 | 0 | 4,446,476 |

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 would cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers may not 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 for this collection.

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.