



[4830-01-P]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for Form 1040 and Schedules A, B, C, C-EZ, D, E, EIC, F, H, J, R, and SE, Form 1040A, Form 1040EZ, Form 1040NR, Form 1040NR-EZ, Form 1040X, and All Attachments to These Forms

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and continuing information collections, as required by the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). This notice requests comments on all forms used by individual taxpayers: Form 1040, U.S. Individual Income Tax Return, and Schedules A, B, C, C-EZ, D, E, EIC, F, H, J, R, and SE; Form 1040A; Form 1040EZ; Form 1040NR; Form 1040NR-EZ; Form 1040X; and all attachments to these forms (see the Appendix to this notice).

DATES: Written comments should be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]** to be assured of consideration.

ADDRESSES: Direct all written comments to The OMB Unit, SE:W:CAR:MP:T:T:SP, Internal Revenue Service, Room 6129, 1111 Constitution Avenue NW, Washington, DC 20224.

SUPPLEMENTARY INFORMATION:

PRA Approval of Forms Used by Individual Taxpayers

Under the PRA, OMB assigns a control number to each "collection of information" that it reviews and approves for use by an agency. The PRA also requires agencies to estimate the burden for each collection of information. Burden estimates for each control number are displayed in (1) PRA notices that accompany collections of information, (2) Federal Register notices such as this one, and (3) OMB's database of approved information collections.

Taxpayer Burden Model

The Individual Taxpayer Burden Model (ITBM) estimates burden experienced by individual taxpayers when complying with Federal tax laws and incorporates results from a survey of tax year 2011 individual taxpayers, conducted in 2012 and 2013. The approach to measuring burden focuses on the characteristics and activities undertaken by individual taxpayers in meeting their tax return filing obligations.

Burden is defined as the time and out-of-pocket costs incurred by taxpayers in complying with the Federal tax system and are estimated separately. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation fees, the purchase price of tax preparation software, submission fees, photocopying costs, postage, and phone calls (if not toll-free).

The methodology distinguishes among preparation method, taxpayer activities, taxpayer type, filing method, and income level. Indicators of tax law and administrative complexity, as reflected in the tax forms and instructions, are incorporated into the model.

Preparation methods reflected in the model are as follows:

- Self-prepared without software,

- Self-prepared with software, and
- Use of a paid preparer or tax professional.

Types of taxpayer activities reflected in the model are as follows:

- Recordkeeping,
- Tax planning,
- Gathering tax materials,
- Use of services (IRS and other),
- Form completion, and
- Form submission.

Taxpayer Burden Estimates

Summary level results using this methodology are presented in Table 1 below.

The data shown are the best forward-looking estimates available for income tax returns filed for tax year 2013.

Table 1 shows burden estimates based on current statutory requirements as of November 21, 2013 for taxpayers filing a 2013 Form 1040, 1040A, or 1040EZ tax return. Time spent and out-of-pocket costs are presented separately. Time burden is broken out by taxpayer activity, with record keeping representing the largest component. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation and submission fees, postage and photocopying costs, and tax preparation software costs. While these estimates do not include burden associated with post-filing activities, IRS operational data indicate that electronically prepared and filed returns have fewer arithmetic errors, implying lower post-filing burden.

Reported time and cost burdens are national averages and do not necessarily reflect a “typical” case. Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type. For instance, the estimated average time burden for all taxpayers filing a Form 1040, 1040A, or 1040EZ is 12 hours, with an average cost of \$210 per return. This average includes all associated forms and schedules, across all preparation methods and taxpayer activities. The average burden for taxpayers filing Form 1040 is about 15 hours and \$280; the average burden for taxpayers filing Form 1040A is about 7 hours and \$90; and the average for Form 1040EZ filers is about 4 hours and \$30.

Within each of these estimates there is significant variation in taxpayer activity. For example, non-business taxpayers are expected to have an average burden of about 7 hours and \$120, while business taxpayers are expected to have an average burden of about 24 hours and \$430. Similarly, tax preparation fees and other out-of-pocket costs vary extensively depending on the tax situation of the taxpayer, the type of software or professional preparer used, and the geographic location.

Proposed PRA Submission to OMB

Title: U.S. Individual Income Tax Return

OMB Number: 1545–0074

Form Numbers: Form 1040 and Schedules A, B, C, C–EZ, D, D–1, E, EIC, F, H, J, R, and SE; Form 1040A; Form 1040EZ; Form 1040NR; Form 1040NR-EZ, Form 1040X; and all attachments to these forms (see the Appendix to this notice).

Abstract: These forms are used by individuals to report their income tax liability. The data is used to verify that the items reported on the forms are correct, and also for general statistical use.

Current Actions: The change in estimated aggregate compliance burden can be explained by three major sources— technical adjustments, statutory changes, and discretionary agency (IRS) actions.

Technical Adjustments - The largest adjustments are from incorporation of updated tax return data, macroeconomic data, and survey data as well as refinements in the estimation methodology. Updating the FY13 macroeconomic data and incorporating new tax return data lead to the largest technical adjustments. The impact of each technical adjustment can be seen below.

	Change in Filers	Change in Time	Change in Dollars
Updated FY13 Macroeconomic Data	-3,100,000	-32,000,000	-\$762,000,000
Updated Tax Return Data	0	-53,000,000	-\$1,486,000,000
Updated Survey Data	0	6,000,000	\$1,063,000,000
FY14 Population Estimates	1,700,000	4,000,000	\$908,000,000

Statutory Changes - The primary drivers of the statutory changes are the phaseout of itemized deductions (American Taxpayer Relief Act of 2012), the Net Investment Income Tax (Health Care and Education Reconciliation Act of 2010), and the Additional Medicare Tax (Patient Protection and Affordable Care Act of 2010). The estimated impact of these items is as follows:

	Expected Filers	Change in Hours	Change in Dollars
Phaseout of Itemized Deductions	2,300,000	< 500,000	\$21,000,000
Net Investment Income Tax	2,800,000	4,000,000	\$202,000,000
Additional Medicare Tax	3,100,000	3,000,000	\$129,000,000

IRS Discretionary Changes Introduction of the Office in the Home Safe Harbor impacts approximately 600,000 filers and decreases time by 1,600,000 hours (rounded to 2,000,000 hours) and money by \$7,000,000. All other IRS discretionary changes had a negligible impact on taxpayer burden.

Total- Taken together, the changes discussed above have decreased total hours by 69,000,000 hours and increased total dollars by 68,000,000.

Type of Review: Revision of currently approved collections

Affected Public: Individuals or households

Estimated Number of Respondents: 152,900,000

Total Estimated Time: 1.855 billion hours (1,855,000,000 hours)

Estimated Time Per Respondent: 12.13 hours

Total Estimated Out-of-Pocket Costs: \$31.717 billion (\$37,717,000,000)

Estimated Out-of-Pocket Cost Per Respondent: \$207

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 content 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.

Request for Comments

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the

collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: February 21, 2014

R. Joseph Durbala,

IRS Supervisory Tax Analyst.

Table 1: Estimated Average Taxpayer Burden for Individuals by Activity							
Primary Form Filed or Type of Taxpayer		Time Burden					Money Burden
	Percentage of Returns	Average Time Burden (Hours)					Average Cost
		Total Time	Record Keeping	Tax Planning	Form Completion and Submission	All Other	
All Taxpayers	100%	12	6	2	4	1	\$210
Primary Forms Filed							
1040	68%	15	8	2	4	1	\$280
1040A	19%	7	2	1	3	1	\$90
1040EZ	13%	4	1	*	2	1	\$30
Type of Taxpayer							
Non-business **	70%	7	3	1	3	1	\$120
Business**	30%	24	13	4	5	2	\$430
* Rounds to less than one hour. Detail may not add to total due to rounding. Dollars rounded to the nearest \$10. ** A "business" filer files one or more of the following with Form 1040: Schedule C, C-EZ, E, F, Form 2106, or 2106-EZ. A "non-business" filer does not file any of these schedules or forms with Form 1040 or if you file Form 1040A or 1040EZ.							

Table 2: ICB Estimates for the 1040/A/EZ/NR/NR-EZ/X series of returns and supporting forms and schedules					
FY2014					
	Previously Approved FY13	Program Change due to Adjustment	Program Change due to New Legislation	Program Change due to Agency	FY14
Number of Taxpayers	154,300,000	(1,400,000)	-	-	152,900,000
Burden in Hours	1,924,000,000	(75,000,000)	8,000,000	(2,000,000)	1,855,000,000
Burden in Dollars	31,649,000,000	(277,000,000)	352,000,000	(7,000,000)	31,717,000,000

Appendix

Forms	Filed by individuals and others	Title
673		Statement for Claiming Exemption from Withholding on Foreign Earned Income Eligible for the Exclusions Provided by Section 911
926	X	Return by a U.S. Transferor of Property to a Foreign Corporation.
970	X	Application To Use LIFO Inventory Method.
972	X	Consent of Shareholder To Include Specific Amount in Gross Income.
982	X	Reduction of Tax Attributes Due To Discharge of Indebtedness (and Section 1082 Basis Adjustment).
1040	.....	U.S. Individual Income Tax Return.
1040 SCH A	.....	Itemized Deductions.
1040 SCH B	.....	Interest and Ordinary Dividends.
1040 SCH C	X	Profit or Loss From Business.
1040 SCH C-EZ	X	Net Profit From Business.
1040 SCH D	.....	Capital Gains and Losses.
1040 SCH E	X	Supplemental Income and Loss.
1040 SCH EIC	.....	Earned Income Credit.
1040 SCH F	X	Profit or Loss From Farming.
1040 SCH H	X	Household Employment Taxes.
1040 SCH J	.....	Income Averaging for Farmers and Fishermen.
1040 SCH R	.....	Credit for the Elderly or the Disabled.
1040 SCH SE	.....	Self-Employment Tax.
1040 SCH 8812		
1040 A	.....	U.S. Individual Income Tax Return.
1040-C		
1040ES (NR)	.....	U.S. Estimated Tax for Nonresident Alien Individuals.
1040ES (PR)	.....	Estimated Federal Tax on Self Employment Income and on Household Employees (Residents of Puerto Rico)
1040 ES-OCR-V	.....	Payment Voucher.
1040 ES-OTC	.....	Estimated Tax for Individuals.

Forms	Filed by individuals and others	Title
1040 EZ	.....	Income Tax Return for Single and Joint Filers With No Dependents.
1040 NR	.....	U.S. Nonresident Alien Income Tax Return.
1040 NR-EZ	.....	U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents.
1040 V	.....	Payment Voucher.
1040 V-OCR-ES	.....	Payment Voucher
1040 X	.....	Amended U.S. Individual Income Tax Return.
1045	X	Application for Tentative Refund.
1116	X	Foreign Tax Credit.
1127	X	Application For Extension of Time For Payment of Tax
1128	X	Application To Adopt, Change, or Retain a Tax Year.
1310	.....	Statement of Person Claiming Refund Due a Deceased Taxpayer.
2106	.....	Employee Business Expenses.
2106 EZ	.....	Unreimbursed Employee Business Expenses.
2120	.....	Multiple Support Declaration.
2210	X	Underpayment of Estimated Tax by Individuals, Estates, and Trusts.
2210 F	X	Underpayment of Estimated Tax by Farmers and Fishermen.
2350	.....	Application for Extension of Time To File U.S. Income Tax Return.
2350 SP	.....	Solicitud de Prórroga para Presentar la Declaración del Impuesto Personal sobre el Ingreso de los Estados Unidos
2439	X	Notice to Shareholder of Undistributed Long-Term Capital Gains.
2441	.....	Child and Dependent Care Expenses.
2555	.....	Foreign Earned Income.
2555 EZ	.....	Foreign Earned Income Exclusion.
2848	X	Power of Attorney and Declaration of Representative.
2848(SP)		
3115	X	Application for Change in Accounting Method.
3468	X	Investment Credit.
3520	X	Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts
3800	X	General Business Credit.
3903	.....	Moving Expenses.

Forms	Filed by individuals and others	Title
4029	.....	Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits.
4070	.....	Employee's Report of Tips to Employer
4070 A	.....	Employee's Daily Record of Tips
4136	X	Credit for Federal Tax Paid On Fuels.
4137	.....	Social Security and Medicare Tax on Unreported Tip Income.
4255	X	Recapture of Investment Credit.
4361	.....	Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders, and Christian Science Practitioners.
4562	X	Depreciation and Amortization.
4563	.....	Exclusion of Income for Bona Fide Residents of American Samoa.
4684	X	Casualties and Thefts.
4797	X	Sales of Business Property.
4835	.....	Farm Rental Income and Expenses.
4852	X.....	Substitute for Form W-2, Wage and Tax Statement or Form 1099-R, Distributions From Pension Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
4868	.....	Application for Automatic Extension of Time To File Individual U.S. Income Tax Return.
4868 SP	.....	Solicitud de Prórroga Automática para Presentar la Declaración del Impuesto sobre el Ingreso Personal de los Estados Unidos
4952	X	Investment Interest Expense Deduction.
4970	X	Tax on Accumulation Distribution of Trusts.
4972	X	Tax on Lump-Sum Distributions.
5074	.....	Allocation of Individual Income Tax To Guam or the Commonwealth of the Northern Mariana Islands (CNMI).
5213	X	Election To Postpone Determination as To Whether the Presumption Applies That an Activity Is Engaged in for Profit.
5329	.....	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.
5405	.....	First-Time Homebuyer Credit
5471	X	Information Return of U.S. Persons With Respect To Certain Foreign Corporations.

Forms	Filed by individuals and others	Title
5471 SCH J	X	Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation.
5471 SCH M	X	Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons.
5471 SCH O	X	Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of Its Stock.
5695	.....	Residential Energy Credits.
5713	X	International Boycott Report.
5713 SCH A	X	International Boycott Factor (Section 999(c)(1)).
5713 SCH B	X	Specifically Attributable Taxes and Income (Section 999(c)(2)).
5713 SCH C	X	Tax Effect of the International Boycott Provisions.
5754	X	Statement by Person(s) Receiving Gambling Winnings.
5884	X	Work Opportunity Credit.
6198	X	At-Risk Limitations.
6251	.....	Alternative Minimum Tax—Individuals.
6252	X	Installment Sale Income.
6478	X	Credit for Alcohol Used as Fuel.
6765	X	Credit for Increasing Research Activities.
6781	X	Gains and Losses From Section 1256 Contracts and Straddles.
8082	X	Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR).
8275	X	Disclosure Statement.
8275 R	X	Regulation Disclosure Statement.
8283	X	Noncash Charitable Contributions.
8332	.....	Release of Claim to Exemption for Child of Divorced or Separated Parents.
8379	.....	Injured Spouse Claim and Allocation.
8396	.....	Mortgage Interest Credit.
8453	.....	U.S. Individual Income Tax Declaration for an IRS e-file Return.
8453(SP)		
8582	X	Passive Activity Loss Limitations.
8582 CR	X	Passive Activity Credit Limitations.
8586	X	Low-Income Housing Credit.
8594	X	Asset Acquisition Statement.

Forms	Filed by individuals and others	Title
8606	.....	Nondeductible IRAs.
8609-A	X	Annual Statement for Low-Income Housing Credit
8611	X	Recapture of Low-Income Housing Credit.
8615	.....	Tax for Certain Children Who Have Investment Income of More Than \$1,800.
8621	X	Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund.
8621-A	X	Late Deemed Dividend or Deemed Sale Election by a Passive Foreign Investment Company
8689	.....	Allocation of Individual Income Tax To the Virgin Islands.
8693	X	Low-Income Housing Credit Disposition Bond.
8697	X	Interest Computation Under the Look-Back Method for Completed Long-Term Contracts.
8801	X	Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts.
8812	.....	Additional Child Tax Credit.
8814	.....	Parents' Election To Report Child's Interest and Dividends.
8815	.....	Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989.
8818	.....	Optional Form To Record Redemption of Series EE and I U.S. Savings Bonds Issued After 1989.
8820	X	Orphan Drug Credit.
8821	X	Tax Information Authorization.
8822	X	Change of Address.
8824	X	Like-Kind Exchanges.
8826	X	Disabled Access Credit.
8828	.....	Recapture of Federal Mortgage Subsidy.
8829	.....	Expenses for Business Use of Your Home.
8832	X	Entity Classification Election.
8833	X	Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)
8834	X	Qualified Electric Vehicle Credit.
8835	X	Renewable Electricity and Refined Coal Production Credit.

Forms	Filed by individuals and others	Title
8838	X	Consent To Extend the Time To Assess Tax Under Section 367—Gain Recognition Statement.
8839	.....	Qualified Adoption Expenses.
8840	.....	Closer Connection Exception Statement for Aliens.
8843	.....	Statement for Exempt Individuals and Individuals With a Medical Condition.
8844	X	Empowerment Zone and Renewal Community Employment Credit.
8845	X	Indian Employment Credit.
8846	X	Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips.
8847	X	Credit for Contributions to Selected Community Development Corporations.
8853	.....	Archer MSAs and Long-Term Care Insurance Contracts.
8854	.....	Initial and Annual Expatriation Information Statement.
8858	X	Information Return of U.S. Persons With Respect to Foreign Disregarded Entities.
8858 SCH M	X	Transactions Between Controlled Foreign Disregarded Entity and Filer or Other Related Entities.
8859	.....	District of Columbia First-Time Homebuyer Credit.
8862	.....	Information to Claim Earned Income Credit After Disallowance.
8862(SP)		
8863	.....	Education Credits.
8864	X	Biodiesel Fuels Credit.
8865	X	Return of U.S. Persons With Respect To Certain Foreign Partnerships.
8865 SCH K-1	X	Partner's Share of Income, Credits, Deductions, etc.
8865 SCH O	X	Transfer of Property to a Foreign Partnership.
8865 SCH P	X	Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership.
8866	X	Interest Computation Under the Look-Back Method for Property Depreciated Under the Income Forecast Method.
8873	X	Extraterritorial Income Exclusion.

Forms	Filed by individuals and others	Title
8874	X	New Markets Credit.
8878	.....	IRS e-file Signature Authorization for Form 4868 or Form 2350.
8878 SP	.....	Autorizacion de firma para presentar por medio del IRS e-file para el Formulario 4868(SP) o el Formulario 2350(SP).
8879	.....	IRS e-file Signature Authorization.
8879 SP	.....	Autorizacion de firma para presentar la Declaracion por medio del IRS e-file.
8880	.....	Credit for Qualified Retirement Savings Contributions.
8881	X	Credit for Small Employer Pension Plan Startup Costs.
8882	X	Credit for Employer-Provided Childcare Facilities and Services.
8885	.....	Health Coverage Tax Credit.
8886	X	Reportable Transaction Disclosure Statement.
8888	.....	Allocation of Refund (Including Savings Bond Purchases
8889	.....	Health Savings Accounts (HSAs).
8891	.....	U.S. Information Return for Beneficiaries of Certain Canadian Registered Retirement Plans
8896	X	Low Sulfur Diesel Fuel Production Credit.
8898	.....	Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession.
8900	X	Qualified Railroad Track Maintenance Credit.
8903	X	Domestic Production Activities Deduction.
8906	.....	Distills Spirits Credit.
8907	.....	Nonconventional Source Fuel Credit.
8908	.....	Energy Efficient Home Credit.
8909		
8910	.....	Alternative Motor Vehicle Credit.
8911	.....	Alternative Fuel Vehicle Refueling Property Credit.
8912		
8917		Tuition and Fees Deduction
8919	.....	Uncollected Social Security and Medicare Tax on Wages.
8923	.....	Mine Rescue Team Training Credit
8925	X	Report of Employer-Owned Life Insurance Contracts
8931	X	Agricultural Chemicals Security Credit
8932	X	Credit for Employer Differential Wage Payments
8933	.....	Carbon Dioxide Sequestration Credit

Forms	Filed by individuals and others	Title
8936	.....	Qualified Plug-in Electric Drive Motor Vehicle Credit
9465	.....	Installment Agreement Request.
9465 SP	.....	Solicitud para un Plan de Pagos a Plazos.
Notice 2006-52		
Notice 160920-05	.....	Deduction for Energy Efficient Commercial Buildings.
Pub 972 Tables		Child Tax Credit
REG-149856-03		Notice of Proposed Rulemaking Dependent Child of Divorced or Separated Parents or Parents Who Live Apart
SS-4	X	Application for Employer Identification Number.
SS-8	X	Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding
T (Timber)	X	Forest Activities Schedules.
W-4	.....	Employee's Withholding Allowance Certificate.
W-4 P	.....	Withholding Certificate for Pension or Annuity Payments.
W-4 S	.....	Request for Federal Income Tax Withholding From Sick Pay.
W-4 SP	.....	Certificado de Exencion de la Retencion del Empleado.
W-4 V	.....	Voluntary Withholding Request.
W-7	.....	Application for IRS Individual Taxpayer Identification Number.
W-7 A	.....	Application for Taxpayer Identification Number for Pending U.S. Adoptions.
W-7 SP	.....	Solicitud de Numero de Identificacion Personal del Contribuyente del Servicio de Impuestos Internos.

[FR Doc. 2014-04374 Filed 02/27/2014 at 8:45 am; Publication Date: 02/28/2014]