



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for Form 5227

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, 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/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Form 5227, Split-Interest Trust Information Return.

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

ADDRESSES: Direct all written comments to Martha R. Brinson, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form and instructions should be directed to Martha R. Brinson, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW., Washington, DC 20224, or through the Internet at Martha.R.Brinson@irs.gov.

SUPPLEMENTARY INFORMATION:

Title: Split-Interest Trust Information Return.

OMB Number: 1545-0196.

Form Number: 5227.

Abstract: Form 5227 is used to report the financial activities of a split-interest trust described in Internal Revenue Code section 4947(a)(2), and to determine whether the trust is treated as a private foundation and is subject to the excise taxes under chapter 42 of the Code.

Current Actions: There is an increase in the paperwork burden previously approved by OMB. Charitable remainder trusts have begun tracking net investment income (NII) received and distributed under section 1411(c). The form was updated to report the tracking of NII receipts and distributions (part II and Schedule A). Charitable remainder trusts (CRT) may elect to apply a simplified NII calculation (reported on part I-B of Schedule A). For charitable remainder trusts that own interests, directly or indirectly, in certain controlled foreign corporations (CFCs) or certain passive foreign investment companies (PFICs), the trust may make a special election to align the NIIT treatment of those CFCs and PFICs with their treatment for regular tax purposes. In addition, the Department estimates

an increase of responses based on its most recent data on Form 5227 filings, from 220,000, to 340,000. The form changes and the estimated increase in the number of responses will increase the estimated annual burden hours from 15,152,550 to 33,138,550.

Type of Review: Revisions of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Responses: 340,000

Estimated Time Per Respondent: 97 hr., 28 min.

Estimated Total Annual Burden Hours: 33,138,550.

The following paragraph applies to all of the collections of information covered by this notice:

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.

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 shall 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: April 11, 2016.

Martha R. Brinson,
IRS, Tax Analyst.

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