

**IMPORTANT**

Please read the instructions before completing this form. For additional forms or assistance in completing this form, contact your agency's paperwork clearance officer.

Send three copies of this form, the collection instrument to be reviewed, the supporting statement, and any additional documentation to:

Office of Information and Regulatory Affairs  
Office of Management and Budget  
Docket Library, Room 10102  
725 17th Street NW  
Washington, DC 20503

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1. Agency/Subagency originating request <b>Department of the Treasury Internal Revenue Service</b>		2. OMB control number a. <u>1545 - 0015</u> b. <input type="checkbox"/> None	
3. Type of information collection (check one) a. <input type="checkbox"/> New collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input checked="" type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change, of a previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change, of a previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number		4. Type of review requested (check one) a. <input checked="" type="checkbox"/> Regular submission b. <input type="checkbox"/> Expedited - Approval requested by: <u>08</u> / <u>09</u> / <u>95</u> c. <input type="checkbox"/> Emergency d. <input type="checkbox"/> Delegated	
		5. Submitted under Section 3504(h) of the Paperwork Reduction Act <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		6. Requested expiration date a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other Specify: _____	
7. Title <b>United States Estate (and Generation-Skipping Transfer) Tax Return</b>			
8. Agency form number(s) (if applicable) <b>Form 706</b>			
9. Keywords <b>'Trusts and estate law, 'Taxes'</b>			
10. Abstract <b>Form 706 is used by executors to report and compute the Federal Estate Tax imposed by IRC section 2001, the Federal GST tax imposed by IRC section 2601, and the additional Estate Tax imposed by Code section 4980A. IRS uses the information to enforce these taxes and to verify that the tax has been properly computed.</b>			
11. Affected public (Mark primary with "P" and all others that apply with "X") a. <u>P</u> Individuals or households d. <input type="checkbox"/> Farms b. <u>X</u> Business or other for-profit e. <input type="checkbox"/> Federal Government c. <input type="checkbox"/> Not-for-profit institutions f. <input type="checkbox"/> State, Local or Tribal Government		12. Obligation to respond (check one) a. <input type="checkbox"/> Voluntary b. <input type="checkbox"/> Required to obtain or retain benefits c. <input checked="" type="checkbox"/> Mandatory	
13. Annual recordkeeping and reporting burden a. Number of respondents <u>65,000</u> b. Total annual responses <u>65,000</u> 1. Percentage of these responses collected electronically <u>-0-</u> % c. Total annual hours requested <u>1,436,265</u> d. Current OMB inventory <u>1,436,265</u> e. Difference (+, -) <u>-0-</u> f. Explanation of difference 1. Program change (+, -) _____ 2. Adjustment (+, -) _____		14. Purpose of information collection (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Application for benefits b. <input type="checkbox"/> Program evaluation c. <input checked="" type="checkbox"/> General purpose statistics d. <input type="checkbox"/> Audit e. <input type="checkbox"/> Program planning or management f. <input type="checkbox"/> Research g. <u>P</u> Regulatory or compliance	
15. Small entities Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
16. Statistical methods Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
17. Agency contact (person who can best answer questions regarding the content of this submission) <b>Martha Brinson</b> Phone ( <u>202</u> ) <u>622-5200</u>			
<b>CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS</b> The agency head or authorized representative certifies that the agency has complied with the requirements of the Paperwork Reduction Act and any applicable policy directives.			
Signature of Agency Head or Authorized Representative <i>Joan K. Holland</i>		Departmental Reports Management Officer	Date <u>MAY 24 1995</u>
Signature of Program Official <i>G. Shear</i> <b>Garrick R. Shear, IRS Reports Clearance Officer</b>			Date <u>MAY 23 1995</u>

**Supporting Statement  
(Form 706)**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 2001 of the Internal Revenue Code (IRC) imposes a tax on the transfer of the taxable estate of every decedent who was a citizen or resident of the United States. IRC sections 2002–2056A established complex rules for computing the tax. IRC section 2601 imposes a tax on certain generation–skipping transfers. IRC sections 2602–2663 established complex rules for computing the tax. Form 706 is used to report and compute both of these taxes.

IRC section 4980A(d) imposes an additional estate tax on excess accumulations in certain qualified plans. Form 706 is used to report this tax. The tax is computed on Schedule S of form 706.

**2. METHOD OF COLLECTION AND USE OF DATA**

IRS uses the information on Form 706 to enforce the estate and GST tax provisions of the Internal Revenue Code, i.e., to verify that the taxes have been properly computed. IRS also uses the information on Form 706 to prepare a quadrennial Statistics of Income report available to the public.

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

The Tax Forms Coordinating Committee has given consideration to all possible efforts to reduce burden, including any technical or legal constraints.

**4. EFFORTS TO IDENTIFY DUPLICATION**

We have attempted to eliminate duplication within the agency wherever possible. Also, the Office of Management and Budget will search the Federal Information Locator System.

**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 1320.6**

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 Service personnel and representatives of the American Bar Association, the American Institute of Certified Public Accountants, and other professional groups to discuss improvements to the tax forms. In addition, we receive comments from other interested outside groups and from individuals.

**9. ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and return information are confidential as required by 26 USC 6103.

**10. JUSTIFICATION OF SENSITIVE QUESTIONS**

Not applicable.

**11. ESTIMATED ANNUALIZED COSTS TO THE GOVERNMENT AND RESPONDENTS**

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distributing, and overhead for this form is \$1,564,896.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

The burden estimate is as follows:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 706	65,000	7.58	492,700
Schedule A	64,000	1.09	69,760
Schedule A-1	6,500	2.97	19,305
Schedule B	62,000	1.02	63,240
Schedule C	65,000	.73	47,450

Schedule D	62,000	.69	42,780
Schedule E	52,000	1.52	79,040
Schedule F	62,000	1.34	83,080
Schedule G	33,000	1.16	38,280
Schedule H	33,000	.93	30,690
Schedule I	18,000	1.39	25,020
Schedule J	65,000	1.12	72,800
Schedule K	65,000	1.09	70,850
Schedule L	49,000	.80	39,200
Schedule M	40,000	1.47	58,800
Schedule O	48,000	1.07	51,360
Schedule P	5,000	.87	4,350
Schedule Q	15,000	.69	10,350
Schedule Q	13,000	1.59	20,670
(Worksheet)			
Schedule R	18,000	2.72	48,960
Schedule R-1	4,000	1.34	5,360
Schedule S	6,000	1.83	10,980
Continuation	61,000	.84	<u>51,240</u>
			1,436,265

#### Reporting Regulations

20.2011-1c	20.2106-1(b)	20.6163-1(b)
20.2014-6	20.2204-1(a)	301.6324A-1(a), (b) (d), & (g)
20.2016-1	20.2204-1 (b)	301.7517-1(a)
20.2031-4	20.2204-2(a)	20.6161-1
20.2031-10(e)	22.0(a), (b), & (c)	20.6161-2
20.2055-2(f) (5)	20.6163-1(a)	7.6039A-1
20.2053-3		

#### Recordkeeping Regulations

20.6001-1

The following regulations impose no additional burden. Please continue to assign OMB number (1545-0015) to these regulations.

20.2031-2(b)	20.2031-2(e) & (f)	20.2031-3
20.2031-6	20.2032-1(b)	20.2032A-3(a) & (c)
20.2032A-4(a),	20.2032A-8(a), (b), & (c)	20.2053-9(a) & (c)
20.2055-1(c)	20.2055-3	20.2056(b)-4(d)
20.6011-1	20.6018-1(a) & (b)	20.6018-2

20.6018-3(a) (b) & (c)	20.6018-4	20.6061-1
20.2065-1(a)	20.2065-1(b)	20.6075-1
20.6081-1	20.6091-1	20.2039-4
20.2053-10(a) & (c)	20.2106-2(b)	26.2662-1(b)
22.0	26.2662-1	20.6166A-3
20.2051-1	20.6036-2	26.2662-1
20.6065-1(b)		

### **13. REASONS FOR CHANGE IN BURDEN**

There are no changes to the form or burden previously approved by OMB.  
This form is submitted for renewal purposes only.

### **14. PLANS FOR TABULATION, STATISTICAL ANALYSIS, AND PUBLICATION**

Not applicable.