

PAPERWORK REDUCTION ACT SUBMISSION

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 two 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.

<p>1. Agency/Subagency originating request <u>Internal Revenue Service</u> <u>Department of the Treasury</u></p>	<p>2. OMB control number <u>a. 1545-0089</u> b. <input type="checkbox"/> None</p>
<p>3. Type of information collection (check one) a. <input type="checkbox"/> New collection b. <input checked="" type="checkbox"/> Revision of a currently approved collection c. <input 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 <i>For b-f, note item A2 of Supporting Statement instructions</i></p>	<p>4. Type of review requested (check one) a. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by: <u>10, 22, 97</u> c. <input type="checkbox"/> Delegated</p> <p>5. 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</p> <p>6. Requested expiration date a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other Specify: ____ / ____</p>
<p>7. Title <u>U.S. Nonresident Alien Income Tax Return</u></p>	
<p>8. Agency form number(s) (if applicable) <u>Form 1040NR</u></p>	
<p>9. Keywords <u>Alien tax return</u></p>	
<p>10. Abstract The form is used by nonresident alien individuals and foreign estates and trusts to report their income subject to tax and compute the correct tax liability. The information on the return is used to determine whether income, deductions, credits, payments, etc., are correctly figured. Affected public are nonresident alien individuals, estates, and trusts.</p>	
<p>11. Affected public (Mark primary with "P" and all others that apply with "X") a. <u>P</u> Individuals or households b. <u>X</u> Business or other for-profit c. <u> </u> Not-for-profit institutions d. <u>X</u> Farms e. <u> </u> Federal Government f. <u> </u> State, Local or Tribal Government</p>	<p>12. Obligation to respond (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Voluntary b. <input type="checkbox"/> Required to obtain or retain benefits c. <input checked="" type="checkbox"/> Mandatory</p>
<p>13. Annual reporting and recordkeeping hour burden a. Number of respondents <u>271,000</u> b. Total annual responses <u>307,535</u> 1. Percentage of these responses collected electronically <u>0</u> % c. Total annual hours requested <u>3,474,575</u> d. Current OMB inventory <u>1,729,335</u> e. Difference <u>+1,745,240</u> f. Explanation of difference 1. Program change <u>+35,230</u> 2. Adjustment <u>+1,710,010</u></p>	<p>14. Annual reporting and recordkeeping cost burden (in thousands of dollars) a. Total annualized capital/startup costs _____ b. Total annual costs (O&M) _____ c. Total annualized cost requested _____ d. Current OMB inventory _____ e. Difference _____ f. Explanation of difference 1. Program change _____ 2. Adjustment _____</p>
<p>15. Purpose of information collection (Mark primary with "P" and all others that apply with "X") a. <u> </u> Application for benefits b. <u> </u> Program evaluation c. <u> </u> General purpose statistics d. <u> </u> Audit e. <u> </u> Program planning or management f. <u> </u> Research g. <u>P</u> Regulatory or compliance</p>	<p>16. Frequency of recordkeeping or reporting (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping b. <input type="checkbox"/> Third party disclosure c. <input checked="" type="checkbox"/> Reporting 1. <input type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input checked="" type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe) _____</p>
<p>17. Statistical methods Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>18. Agency contact (person who can best answer questions regarding the content of this submission) Name: <u>Martha Brinson</u> Phone: <u>(202) 622-5200</u></p>

In response to the Federal Register Notice dated June 20, 1997, we received no comments regarding Form 1040NR.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

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

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

	Number of Responses	Time per Response	Total Hours
Form 1040NR	271,000	12.75	3,455,250
Capital Gain			
Tax Worksheet	27,100	.60	16,260
Personal Exemption Worksheet	5,360	.32	1,715
Itemized Deduction Worksheet	3,750	.36	1,350
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	307,210		3,474,575

Please continue to assign OMB number 1545-0089 to these regulations.

Reporting Regulations

1.861-2(b) & (d)
1.861-3(a) & (c)
1.871-10(d)(1)(11)
1.871-10(d)(2)(iii)
1.874-1
1.6011-1
1.6012-1 through 1.6012-5
1.6012-6
301.7701(b)-8

Regulations which impose no additional burden*

1.871-7 & 10(b) & (c)
1.874-1(a)
1.4441-3
1.1441-3(b)
1.6012-1(b)
1.6091-3

*We have reviewed these regulations and have determined that the reporting requirements contained in them are entirely reflected on the Form 1040NR.

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

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated June 20, 1997, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, and overhead for the form is \$149,178.

15. REASONS FOR CHANGE IN BURDEN

a. Form 1040NR

i. **Line 25.**--This new line (for the MSA deduction) was added to implement section 220, which was added by section 301(a) of the Health Insurance Portability and Accountability Act (P.L. 104-191).

The section 220(f)(4) penalty tax on taxable distributions from an MSA will be reported as a write-in on line 53. The taxable amount of distributions will also be included in income on line 21. The 6% section 4973(a)(2) tax on excess contributions to an MSA will be reported on Form 5329 and Form 1040NR, line 51. The text on line 51 has been changed to reflect this.

ii. **Line 28 (old line 27).**--The checkbox that previously appeared on this line ("If SEP, check here") has been deleted. The checkbox was deleted to conform to the Form 1040.