

Request for OMB Review

AUG 25 1987

1545-0089

Important

Read instructions before completing form. Do not use the same SF 83 to request both an Executive Order 12291 review and approval under the Paperwork Reduction Act.

Answer all questions in Part I. If this request is for review under E.O. 12291, complete Part II and sign the regulatory certification. If this request is for approval under the Paperwork Reduction Act and 5 CFR 1320, skip Part II, complete Part III and sign the paperwork certification.

Send three copies of this form, the material to be reviewed, and paperwork—three copies of the supporting statement, to:

Office of Information and Regulatory Affairs
Office of Management and Budget
Attention: Docket Library, Room 3201
Washington, DC 20503

V AUG 5 1987

PART I.—Complete This Part for All Requests.

1. Department/agency and Bureau/office originating request

Department of the Treasury
Internal Revenue Service

acted 8/24

2. Agency code

1 5 4 5

3. Name of person who can best answer questions regarding this request

Yolanda Texidor

Telephone number

(202) 566-6150

4. Title of information collection or rulemaking

U.S. Nonresident Alien Income Tax Return

5. Legal authority for information collection or rule (cite United States Code, Public Law, or Executive Order)

26 USC 6012, 874, or

6. Affected public (check all that apply)

1 Individuals or households

3 Farms

5 Federal agencies or employees

6 Non-profit institutions

2 State or local governments

4 Businesses or other for-profit

7 Small businesses or organizations

PART II.—Complete This Part Only if the Request is for OMB Review Under Executive Order 12291

7. Regulation Identifier Number (RIN)

or, None assigned

8. Type of submission (check one in each category)

Classification

1 Major

2 Nonmajor

Stage of development

1 Proposed or draft

2 Final or interim final, with prior proposal

3 Final or interim final, without prior proposal

Type of review requested

1 Standard

2 Pending

3 Emergency

4 Statutory or judicial deadline

9. CFR section affected

CFR

10. Does this regulation contain reporting or recordkeeping requirements that require OMB approval under the Paperwork Reduction Act and 5 CFR 1320? Yes

11. If a major rule, is there a regulatory impact analysis attached? Yes No

If "No," did OMB waive the analysis? Yes No

Certification for Regulatory Submissions

In submitting this request for OMB review, the authorized regulatory contact and the program official certify that the requirements of E.O. 12291 and any applicable policy directives have been complied with.

Signature of program official

Date

Signature of authorized regulatory contact

Date

12. (OMB use only)

DATE: AUG 4 1987

DEPARTMENT OF THE TREASURY

Public Information Collection Requirements Submitted to OMB for Review.

The Department of Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1980, P.L. 96-511. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 2224, 15th and Pennsylvania Avenue, N.W., Washington, D.C. 20220.

ALCOHOL, TOBACCO AND FIREARMS

OMB Number: 1512-0163

Form Number: ATF F 5210.5 (3068)

Type of Review: Extension

Title: Manufacturer of Tobacco Products Monthly Report

Description: ATF F 5210.5(3068) documents a tobacco products manufacturer's accounting of cigars and cigarettes, smokeless tobacco products. The form describes the tobacco products manufactured, articles produced, received, disposed of and statistical classes of large cigars. ATF examines and certifies entries on these reports so as to identify unusual activities, errors and or omissions.

Respondents: Businesses or other for-profit, Small businesses or organizations

Estimated Burden: 2,040 hours

Clearance Officer: Robert Masarsky (202) 566-7077
Bureau of Alcohol, Tobacco and Firearms
Room 7011
1200 Pennsylvania Avenue, N.W.
Washington, DC 20226

OMB Reviewer: Milo Sunderhauf (202) 395-6880
Office of Management and Budget
Room 3208, New Executive Office Building
Washington, DC 20503

INTERNAL REVENUE SERVICE

OMB Number: 1545-0089

Form Number: IRS Form 1040NR

Type of Review: Revision

Title: U.S. Nonresident Alien Income Tax Return

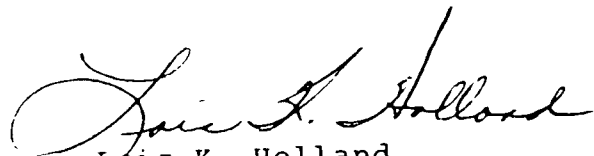
Description: This form is used by nonresident individuals and foreign estates and trusts to report their income subject to tax and compute the correct tax liability. The information on the return is used to determine whether income, deductions, credits, payments, etc., are correctly figured. Affected public are nonresident individuals, estates and trusts.

Respondents: Individuals or households, Farms, Businesses or other for-profit, Small businesses or organizations

Estimated Burden: 1,013,610 hours

Clearance Officer: Garrick Shear (202) 566-6150
Internal Revenue Service
Room 5571
1111 Constitution Avenue, N.W.
Washington, DC 20224

OMB Reviewer: Milo Sunderhauf (202) 395-6880
Office of Management and Budget
Room 3208, New Executive Office Building
Washington, DC 20503



Lois K. Holland
Departmental Reports
Management Officer

Justification

1. Internal Revenue Code sections 874, 6011, and 6012 require nonresident alien individuals, and foreign estates and trusts to prepare and file income tax returns annually. This form is used by these individuals and estates and trusts to report their income subject to tax and compute their correct tax liability.

2. The data is used by IRS to determine whether income, deductions, credits, payments, etc., are correctly figured.

3. At the Tax Forms Coordinating Committee meeting we have given consideration to all possible efforts to reduce burden including any technical or legal constraints.

4. We have searched the Federal Information Locator System to identify any possible duplication.

5. Similar data is not available from any other source.

6. We have been unable to minimize burden for small businesses.

7. Not applicable.

8. Not applicable.

9. There are periodic meetings between IRS personnel and representatives of the American Bar Association, the American Institute of Certified Public Accountants and other professional groups to discuss tax law and tax forms. During these meetings there is an opportunity for those attending to make comments regarding Form 1040NR.

10. Generally, tax returns and return information are confidential as required by 26 U.S.C. 6103.

11. Not applicable.

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

13. Burden Estimate:

<u>Number of Respondents</u>	<u>Number of Responses</u>	<u>Hours per Responses</u>	<u>Total Hours</u>
155,000	1	6.34209	983,024

Reporting Regulations

	<u>Number of Respondents</u>	<u>Number of Responses</u>	<u>Hours per Response</u>	<u>Total Hours</u>
1.861-2(b)&(d) } 1.861-3(a)&(c) }	59,438	1	.25	14,860
1.871-10(d) (1) (ii)	19,356	1	.50	9,678
1.871-10(d) (2) (iii)	24,192	1	.25	<u>6,048</u>
				30,586
		Total Burden		1,013,610

Regulations which impose no additional burden*

- 1.871-7&10(b)&(c)
- 1.874-1(a)
- 1.1441-3(b)
- 1.1441-3(h)
- 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.

Please continue to assign OMB Number 1545-0089 to these previously approved regulations.

14. Change in burden:

1. The following changes were made to the Exemption section:

a. Deleted the "65 or over" and "Blind" boxes to reflect the repeal of these additional exemptions (IRC section 151 as amended by section 103(b) of the Tax Reform Act of 1986 (TRA)). ✓

b. Added a "Caution" alerting taxpayers that if they can be claimed as a dependent on another person's return, they cannot claim their own exemption (IRC section 151(d) (2)). ✓

c. Revised the area for listing dependent children and the "Other dependents" area.

This change was necessary to provide space for the social security number. Space is provided for 5 dependents to be listed. An attachment is required if more than 5 dependents are claimed.

d. Added spaces for taxpayers to enter the social security number of each dependent who is age 5 or over (IRC section 6109(e)) or to indicate if the dependent is under age 5. ✓

e. Added a box for taxpayers to indicate the number of dependent children who did not live with them because of divorce or separation. This change was made to permit PM:PFR:R to use the math/clerical error summary assessment procedures under IRC section 6213(b) in their project to ensure compliance with the rules regarding children of divorced or separated parents. (Children who didn't live with the taxpayer for other reasons will be shown in the box labeled "No. of other dependents listed on 6c.")

f. Added a box for taxpayers to indicate the number of parents claimed as dependents. This box was added at the request of D:R:R:R. Taxpayer self-coding will reduce Processing's workload and provide Exam with "better" information.

2. The following changes were made to the Income section:

a. Added line 10 for taxpayers to enter their tax-exempt interest income (IRC section 6012(d)).

b. Revised line 11 to reflect the repeal of the dividend exclusion (IRC section 116 as amended by section 612 of the TRA).

c. Deleted the "40% capital gain distributions" line. Because the 60% net capital gain deduction (IRC section 1202) was repealed and we needed space for other items, this change was made. This income will be reported on line 15 and the taxpayers will be instructed to enter "CGD" on the dotted line to the left of the entry space.

d. Deleted the "fully taxable pensions and annuities" line. This income will be reported on line 17b (no entry will be required on line 17a for fully taxable amounts). This change was made to provide space for other items.

e. Revised line 20 (unemployment compensation) to reflect the repeal of the partial exclusion allowed to certain taxpayers (IRC section 85).

3. The following changes were made to the Adjustments to Income section:

a. Deleted the line for moving expenses to reflect that such expenses are no longer allowed in computing A.G.I. (IRC section 62(a) as amended by section 132(c) of the TRA).

b. Revised line 23 (employee business expenses) to reflect that generally only reimbursed expenses are allowed as an adjustment to income (IRC section 62(a)(2)(A)).

c. Added line 25 for self-employed individuals to report their health insurance deduction (IRC section 162(m)).

4. The following changes were made to the Tax Computation section:

a. Deleted the line for the zero bracket amount (IRC 63 as amended by section 102(a) of the TRA).

b. Added a "Caution" and a box (after line 34) for taxpayers to check if they can be claimed as a dependent on another person's return (IRC section 151(d)(2) as amended by section 103(a) and 103(b) of the TRA).

c. Added a box after line 35 for taxpayers to indicate if they are under age 14 and have unearned income. This indication is necessary to ensure compliance with the new rules regarding the tax imposed on the unearned income of certain children under age 14 (see IRC section 1(i)).

d. Added a box to line 36 for taxpayers to indicate if they used Schedule D to compute their tax. Schedule D reflects the provisions of IRC section 1(j) (relating to the 28% maximum capital gains rate).

e. Added a box to line 36 for taxpayers to indicate if they used Form 8615, Computation of Tax for Certain Children Under Age 14 Who Have Unearned Income, to compute their tax. Form 8615 reflects the provisions of IRC section 1(i).

5. The following changes were made to the Credits section:

a. Deleted the "partial credit for political contributions" line to reflect the repeal of the credit (section 112 of the TRA).

b. Added a box on line 42 for taxpayers to indicate if they are claiming the low-income housing credit (Form 8586). (IRC section 38(b)(5)).

6. The following item was added to the Other Taxes section:

a. Added line 50 for taxpayers to report any "Gross transportation tax" (IRC section 887 as added by section 1212 of the TRA).

7. The following items were added to the Payments section:

a. A separate line (61a) was added for taxpayers to report U.S. tax withheld on dispositions of U.S. real property interests from Form 8288-A IRC (section 1445).

b. Added new line 61b for taxpayers to report U.S. tax withheld on dispositions of U.S. real property interests from Form 1042S (T.D. 8114, Temp. Reg. 1.1445-8T).

8. The following changes were made to the Itemized Deductions section:

a. Questions A through N were moved from page 3 to new page 5 so that the "Itemized Deduction" area could be expanded.

b. Added line 6 (Moving Expenses) to reflect that such expenses are allowed only as an itemized deduction (IRC sections 67(b)(6) and 62(a)).

c. Added lines 7 and 8 to reflect that unreimbursed employee business expenses and certain other expenses are deductible only to the extent the total of such expenses exceeds 2% of the taxpayer's A.G.I. (IRC section 67).

These changes will represent a net ~~program change~~ increase of 48,186 hours. Filers were adjusted for an ~~adjustment~~ increase of 30,047.

Form 1040NR Instructions Worksheet - Revisions/Additions

f. The Unemployment Compensation Worksheet (page 7) was deleted to reflect the repeal of the partial exclusion allowed to certain taxpayers (IRC section 85 as amended by section 121 of the Tax Reform Act of 1986). This will not affect the burden because the burden for this worksheet was not accounted for when it was introduced.

2. The IRA Worksheet, now called Worksheet 1, (page 8) was revised to make more space in the instructions for other items. The old worksheet was 4 lines and the revised worksheet is 3 lines. Lines 1a - 1c and 3 were combined into one line. This will represent a program change increase of 597 hours because the burden for this worksheet was not previously accounted for.

IRA Worksheet 2 was added to reflect IRC section 219(g) as added by section 1101(a)(1) of the Tax Reform Act of 1986 and IRC section 408(o) as added by section 1102(a) of the Tax Reform Act of 1986. Section 219(g) limits the deduction allowed to taxpayers who are active participants in certain pension plans. Section 408(o) permits taxpayers to make nondeductible contributions to their IRAs. This will represent a program change increase of 1,992 hours.

4. The Self-Employment Health Insurance Deduction Worksheet was added to reflect the provisions of IRC section 162(m) as added by section 1161(a) of the Tax Reform Act of 1986. This will represent a program increase of 797 hours.

15. Not applicable.