

# Request for OMB Review

1545-0028

### 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 for paperwork—three copies of the supporting statement, to:

Office of Information and Regulatory Affairs  
Office of Management and Budget  
Attention: Docket Library, Room 320  
Washington, DC 20503

RECEIVED  
SEP 28 1994

### PART I.—Complete This Part for All Requests.

OIRA DOCKET LIBRARY

1. Department/agency and Bureau/office originating request

Department of the Treasury  
Internal Revenue Service

2. Agency code

1 5 4 5

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

Telephone number  
(202) 622-5200

4. Title of information collection or rulemaking

Employer's Annual Federal Unemployment (FUTA) Tax Return  
Planilla Para La Declaración Anual Del Patrono- La Contribución Federal Para El Desempleo (FUTA)  
(FUTA) -Forms 940 and 940-PR

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

26 USC 3301, 3302, 3306 or

6. Affected public (check all that apply)

1  Individuals or households  
2  State or local governments

3  Farms  
4  Businesses or other for-profit

5  Federal agencies or employees  
6  Non-profit institutions  
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  No

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)

EXPEDITE  
RESUBMISSION

**PART III. — Complete This Part Only if the Request is for Approval of a Collection of Information Under the Paperwork Reduction Act and 5 CFR 1320.**

13. Abstract—Describe needs, uses and affected public in 50 words or less  
"Federal forms, taxes" - IRC section 3301 imposes a tax on employers based on the first \$7,000 of taxable annual wages paid to each employee. IRS uses the information reported on Forms 940 and 940-PR (Puerto Rico) to ensure that employers have reported and figured the correct FUTA wages and tax.

14. Type of information collection (check only one)  
Information collections not contained in rules  
1  Regular submission  
2  Emergency submission (certification attached)  
Information collections contained in rules  
3  Existing regulation (no change proposed)  
4  Notice of proposed rulemaking (NPRM)  
5  Final. NPRM was previously published  
6 Final or interim final without prior NPRM  
A  Regular submission  
B  Emergency submission (certification attached)  
7. Enter date of expected or actual Federal Register publication at this stage of rulemaking (month, day, year):

15. Type of review requested (check only one)  
1  New collection  
2  Revision of a currently approved collection  
3  Extension of the expiration date of a currently approved collection without any change in the substance or in the method of collection  
4  Reinstatement of a previously approved collection for which approval has expired  
5  Existing collection in use without an OMB control number

16. Agency report form number(s) (include standard/optional form number(s))  
Form 940, 940-PR

22. Purpose of information collection (check as many as apply)  
1  Application for benefits  
2  Program evaluation  
3  General purpose statistics  
4  Regulatory or compliance  
5  Program planning or management  
6  Research  
7  Audit

17. Annual reporting or disclosure burden

1 Number of respondents	1,332,000
2 Number of responses per respondent	*
3 Total annual responses (line 1 times line 2)	1,513,520
4 Hours per response	*
5 Total hours (line 3 times line 4)	1,101,252

23. Frequency of recordkeeping or reporting (check all that apply)  
1  Recordkeeping  
Reporting  
2  On occasion  
3  Weekly  
4  Monthly  
5  Quarterly  
6  Semi-annually  
7  Annually  
8  Biennially  
9  Other (describe):

18. Annual recordkeeping burden

1 Number of recordkeepers	1,332,000
2 Annual hours per recordkeeper	*
3 Total recordkeeping hours (line 1 times line 2)	16,108,370
4 Recordkeeping retention period	3 years

19. Total annual burden

1 Requested (line 17-5 plus line 18-3)	17,209,622
2 In current OMB inventory	19,067,221
3 Difference (line 1 less line 2)	-1,857,599
Explanation of difference	
4 Program change	-251,498
5 Adjustment	-1,606,101

20. Current (most recent) OMB control number or comment number  
1545-0028  
21. Requested expiration date  
11-30-97

24. Respondents' obligation to comply (check the strongest obligation that applies)  
1  Voluntary  
2  Required to obtain or retain a benefit  
3  Mandatory

25. Are the respondents primarily educational agencies or institutions or is the primary purpose of the collection related to Federal education programs?  Yes  No

26. Does the agency use sampling to select respondents or does the agency recommend or prescribe the use of sampling or statistical analysis by respondents?  Yes  No

27. Regulatory authority for the information collection  
CFR \_\_\_\_\_ ; or FR \_\_\_\_\_ ; or Other (specify): \_\_\_\_\_

Paperwork Certification  
In submitting this request for OMB approval, the agency head, the senior official or an authorized representative, certifies that the requirements of 5 CFR 1320, the Privacy Act, statistical standards or directives, and any other applicable information policy directives have been complied with.

Signature of program official  
Garrick R. Shear  
IRS Reports Clearance Officer  
Signature of agency head, the senior official or an authorized representative  
Departmental Reports Management Officer  
Date  
SEP 1994  
Date  
NOV 21 1994

## SUPPORTING STATEMENT

### IRS Forms 940 & 940-PR

#### 1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 940 is used by employers to file and pay Federal unemployment taxes. Internal Revenue Code section 3301 imposes the Federal unemployment tax of 6.2% on the first \$7,000 of annual wages paid to each employee. The employer is allowed a credit not to exceed 5.4% of the taxable wages, against the gross tax for amounts the employer pays (contributions) to state unemployment funds. The tax is figured and reported on Forms 940 and 940-PR (Puerto Rico employers only). If contributions are paid after the due date of the forms, the employer is allowed only 90% of the credit that otherwise would have been allowable if they had been paid by the due date.

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

The IRS will use the information reported on Forms 940 and 940-PR to ensure that employers have figured and reported the correct Federal unemployment wages and tax.

#### 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 (OMB) will search the Federal Information Locator System.

#### 5. REASON SIMILAR INFORMATION CANNOT BE MODIFIED

Similar data is not available from any other source.

#### 6. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

We have been unable to reduce burden for small businesses.

7. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Not applicable.

8. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.6

Not applicable.

9. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

There are periodic meetings held between IRS personnel and the American Bar Association, the American Institute of Certified Public Accountants, and other professional groups to discuss tax forms. During these meetings, those attending have the opportunity to discuss Forms 940 and 940-PR.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

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

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED ANNUALIZED COSTS TO THE GOVERNMENT AND RESPONDENTS

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$166,500.

13. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Form	Number of Responses	Time per Response	Total Hours
940	1,332,000	12.76	16,996,320
940-PR	35,000	12.80	448,000
Over-the-Counter Form 940 VOUCHER	146,520	.58	84,982
	<u>1,513,520</u>		<u>17,529,302</u>

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0028 to these regulations:

31.3302(b)-2	31.6011(a)-5,8,9
31.3302(a)-2	31.6001-4
31.3302(a)-3	
31.3302(e)-1(c)	
31.6011(a)-3(a)	
31.6011(a)-3(b)	
31.6011(a)-6(b)	
31.6071(a)-1(c)	
31.6081(a)-1(b)&(c)	
31.6081(a)-1(a)	
31.6091-1	

#### 14. REASONS FOR CHANGE IN BURDEN

We have made the following changes:

##### Form 940 & Instructions

1. A payment voucher ~~is~~ added to the over-the-counter version of Form 940. The taxpayer will enter their employer identification number, the first four letters of their business name, their name, address, and the amount of payment on the voucher. The voucher will expedite and ensure proper crediting of payments.

2. In the **Where To File** section we added instructions for where to file when a payment is and is not included with the return. The IRS is having returns with payments sent directly to the banks.

The above changes will result in a program change increase of 84,982 hours due to the new over-the-counter payment voucher.

We received better filing figures which will result in an adjustment decrease of 1,606,101 hours.

##### Form 940-PR & Instructions

3. In Part II of Form 940-PR we removed line items 2 and 3. These lines were previously used to include the additional tax because wages were paid in a credit reduction state. There is no need for the lines because filers who pay wages in a credit reduction state cannot use Part II of the form.

4. Editorial changes were made throughout <sup>the</sup> Form 940 & 940-PR instructions which will not affect the burden. <sup>^</sup>

The above changes will result in a program change decrease of 16,800 hours due to two lines being deleted.

All of the above changes will result in a net program change increase of 68,182 hours, and an adjustment decrease of 1,606,101 hours.

15. PLANS FOR TABULATION, STATISTICAL ANALYSIS, AND PUBLICATION

Not applicable.