

PAPERWORK REDUCTION ACT SUBMISSION

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

JUL 21 1995
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1. Agency/Subagency originating request Department of the Treasury Internal Revenue Service	2. OMB control number a. <u>1545</u> - <u>0020</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>09</u> / <u>15</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
 United States Gift (and Generation-Skipping Transfer) Tax Return

8. Agency form number(s) (if applicable)
 Form 709

9. Keywords
 'Gifts or gratuities, Tax returns'

10. Abstract
 Form 709 is used by individuals to report transfers subject to the gift and generation-skipping transfer taxes and to compute these taxes. IRS uses the information to enforce these taxes and to compute the estate tax.

11. Affected public (Mark primary with "P" and all others that apply with "X") a. <input checked="" type="checkbox"/> Individuals or households d. <input type="checkbox"/> Farms b. <input type="checkbox"/> 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
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13. Annual recordkeeping and reporting burden a. Number of respondents <u>110,000</u> b. Total annual responses <u>110,000</u> 1. Percentage of these responses collected electronically _____ % c. Total annual hours requested <u>484,000</u> d. Current OMB inventory <u>484,000</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 type="checkbox"/> General purpose statistics d. <input type="checkbox"/> Audit e. <input type="checkbox"/> Program planning or management f. <input type="checkbox"/> Research g. <input checked="" type="checkbox"/> Regulatory or compliance
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15. Small entities
 Will this information collection have a significant economic impact on a substantial number of small entities? Yes No

16. Statistical methods
 Does this information collection employ statistical methods? Yes No

17. Agency contact (person who can best answer questions regarding the content of this submission)
Martha Brinson Phone (202) 622-5200

CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

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 Signature of Program Official <u>Garrick R. Shear</u> , IRS Reports Clearance Officer	Departmental Reports Management Officer	Date <u>7-19-95</u> Date <u>JUL 14 1995</u>
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Supporting Statement
(Form 709)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC section 6019 and 6075 require gift tax returns and specify when they are to be filed.

Form 709 is used to report gift transfers and to compute the gift tax on the transfers.

Form 709 is also used to report direct transfers subject to the generation-skipping transfer (GST) tax and to compute the tax on those transfers.

2. METHOD OF COLLECTION AND USE OF DATA

IRS uses the information to collect and enforce the gift and generation-skipping transfer taxes, to verify that these taxes are properly computed, and to compute the tax base for the estate 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 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, distribution, and overhead for Form 709 is \$257,915.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Number of Responses	Time per Response	Total Hours
110,000	4.40	484,000

The following are related regulations which impose no additional burden. Please continue to assign OMB number 1545-0020 to these regulations.

Reporting Regulations:

1.401-1	25.2512-2(b), (e), (f)
1.664-4	25.2512-3(a)
1.170A-12	25.2512-9(e)
1.1015-1	25.2513-3(a) & (b)
20.2031-7	25.6019-1(d)
25.2513-2	25.6161-1(b) & (c)
25.2522(c)-3	27.1-1(a)
25.2523(a)-1	27.642-1(b) & (c)
25.2512-1(j)	

Recordkeeping Regulations:

1.1015-1(g)
25.6001-1

Regulations which impose no additional burden:

25.2512-5	25.6065-1
25.2513-1(c)	25.6075-1
25.6011-1	25.6081-1
25.6019-1(a) & (b)	25.6091-1
25.6019-2	25.6091-2
25.6019-3	25.6151-1
25.6019-4	26.2662-1(b)
25.6061-1	

13. REASONS FOR CHANGE IN BURDEN

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

14. PLANS FOR TABULATION, STATISTICAL ANALYSIS, AND PUBLICATION

Not applicable.