

**Internal Revenue Service****Proposed Collection; Comment Request for Form 1099-C**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Form 1099-C, Cancellation of Debt.

**DATES:** Written comments should be received on or before August 27, 1996 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Garrick R. Shear, Internal Revenue Service, room 5571, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the form(s) and instructions should be directed to Martha R. Brinson, (202) 622-3869, Internal Revenue Service, room 5571, 1111 Constitution Avenue NW., Washington, DC 20224.

**SUPPLEMENTARY INFORMATION:**

*Title:* Cancellation of Debt.

*OMB Number:* 1545-1424.

*Form Number:* Form 1099-C.

*Abstract:* Form 1099-C is used by Federal government agencies, financial institutions, and credit unions to report the cancellation or forgiveness of a debt of \$600 or more, as required by section 6050P of the Internal Revenue Code. IRS uses the form to verify compliance with the reporting rules and to verify that the debtor has included the proper amount of canceled debt in income on his or her tax return.

*Current Actions***Changes to Form 1099-C**

Box 4 and the instructions for box 4 (located on the back of Copy B) were eliminated. The regulations under Code section 6050P eliminated the separate reporting of penalties, fines, and administrative costs, effective 12/22/96. The space for box 4 was retained on the form so it can be used in the future for something else.

*Type of Review:* Revision of a currently approved collection.

*Affected Public:* Business or other for-profit organizations, not-for-profit

institutions, and the Federal government.

*Estimated Number of Respondents:* 350,000.

*Estimated Time Per Respondent:* 11 min.

*Estimated Total Annual Burden Hours:* 65,994.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: June 20, 1996.

Garrick R. Shear,

*IRS Reports Clearance Officer.*

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**Proposed Collection; Comment Request for Form 1040X**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(a)). Currently, the IRS is soliciting comments concerning Form 1040X, Amended U.S. Individual Income Tax Return.

**DATES:** Written comments should be received on or before August 27, 1996 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Garrick R. Shear, Internal Revenue Service, room 5571, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:**

Requests for additional information or copies of the form(s) and instructions should be directed to Martha R. Brinson, (202) 622-3869, Internal Revenue Service, room 5571, 1111 Constitution Avenue NW., Washington, DC 20224.

**SUPPLEMENTARY INFORMATION:**

*Title:* Amended U.S. Individual Income Tax Return.

*OMB Number:* 1545-0091.

*Form Number:* Form 1040X.

*Abstract:* Form 1040X is used by individuals to amend an original tax return to claim a refund of income taxes, pay additional income taxes, or designate \$3 to the Presidential Election Campaign Fund. The information provided on the form is needed to help verify that taxpayers have correctly figured their income tax.

*Current Actions***Changes to Form 1040X**

On page 1 of Form 1040X, the second part of Line B was deleted because the Service now can identify the IRS office from its database. Line C on the previous version of the form, which contained a box to check if Form 8271 was attached, was deleted because it is no longer necessary. The instructions will tell taxpayers to attach Form 8271 to Form 1040X. Line 30 was changed to reflect revised procedures for reporting social security numbers on 1996 tax returns.

*Type of Review:* Revision of a currently approved collection.

*Affected Public:* Individuals.

*Estimated Number of Respondents:* 2,395,000.

*Estimated Time Per Respondent:* 3 hrs. 21 min.

*Estimated Total Annual Burden Hours:* 8,023,250.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital

or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: June 21, 1996.

Garrick R. Shear,

*IRS Reports Clearance Officer.*

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