

December 2, 2020

Kinna Brewington
Internal Revenue Service — Room 6129
1111 Constitution Avenue, NW
Washington, DC 20224

RE: Federal Register notice of October 30, 2020, for the Internal Revenue Service U.S. Individual Income Tax Return. Form 1040 and Schedules A, B, C, C-EZ, D, EIC, F, H, J, R, and SE; Form 1040NR; Form 1040NR-EZ; Form 1040X; and all attachments for these forms (OMB Number: 1545-0074)

Dear Ms. Brewington:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Internal Revenue Service (IRS) for Form 1040 and its related schedules. This form, along with its related schedules and attachments, is our only data source for several key components of BEA's economic statistics.

Information from Form 1040 and its schedules are critical in preparing estimates of the national income and product accounts, the regional accounts, and the industry economic accounts. Specifically, BEA uses items from Form 1040 and the related schedules to prepare estimates for:

- national, state and sub-state estimates of nonfarm proprietors' income and employment
- national estimates of net interest
- state and sub-state estimates of interest and dividends
- national estimates of employer contributions for employee pension and insurance funds
- national, state and sub-state estimates of the rental income of persons (royalties) components of national income
- national estimates of the change in private inventories component of gross domestic product (GDP)
- state and sub-state estimates of refundable tax credits such as the refundable portion of the earned income tax credit and the additional child tax credit
- state and sub-state estimates of residence adjustment

BEA's regional program uses state and county tabulations from Form 1040 to estimate similar components for state and local area personal income and employment, earnings and, indirectly, GDP by state and GDP by county. In addition, BEA's industry program uses the data to prepare

industry statistics of gross operating surplus, which is essential to the construction of the input-output use table.

Please keep BEA informed about any modifications to these forms and schedules. We are particularly interested in any modifications proposed during the forms' approval process that would substantially affect our use of these data. For additional information, please contact Tiffany Burrell, Source Data Coordinator, on 301-278-9618, or by e-mail at Tiffany.Burrell@bea.gov. Should you need assistance in justifying these forms to the Office of Management and Budget, please do not hesitate to contact BEA.

Sincerely,

Dennis J. Fixler
Chief Economist