

October 26, 2022

Andres Garcia
Internal Revenue Service
Room 6526
1111 Constitution Avenue NW
Washington, DC 20224

RE: *Federal Register* notice of September 28, 2022, for Internal Revenue Service Form 1065, 1066, 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-S, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, 1120-RIC, 1120-POL and all attachments to these forms, U.S. Business Income Tax Return (OMB Number: 1545-0123).

Dear Mr. Garcia:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Internal Revenue Service (IRS) on Form 1065, 1066, 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-S, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, 1120-RIC, 1120-POL and all attachments to these forms collected as a “single collection of information” under OMB control number 1545-0123. The data collected on these forms are crucial to key components of BEA’s economic statistics.

BEA uses data from these forms to prepare the national income and product (NIPA) accounts, the benchmark and annual input-output (I-O) accounts, personal income, and gross domestic product (GDP) by industry. The attached table provides more details on BEA’s usage of the data.

Please keep BEA informed concerning any modifications to these forms. 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 this form to the Office of Management and Budget, please do not hesitate to contact BEA.

Sincerely,

Dennis J. Fixler
Chief Economist

Attachment

Attachment

Details BEA's use of IRS' Business Tax Forms

IRS Form 1065 and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
Form 1065, US Return of Partnership Income	All items used	Estimates of the nonfarm proprietors' income, net interest
Schedule A, Cost of Goods Sold	Line 1, Inventory at beginning of year Line 2, Purchases less cost of items withdrawn for personal use Line 3, Cost of labor Line 4, Additional section 263A costs Line 5, Other costs Line 6, Total costs Line 7, Inventory at end of year	Estimates of the nonfarm proprietors' income
Schedule B, Other Information	Line 1, Type of entity	Estimates of the nonfarm proprietors' income
Schedule K, Partners' Distributive Share of Income, Deductions, Credits, etc	Most items used	Estimates of the nonfarm proprietors' income
Analysis of Net Income (Loss)	Line 2(i)a and b, Corporate income (loss) for General and Limited Partners	Estimates of the nonfarm proprietors' income

IRS Form 1120 and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
Form 1120	Most items used	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs and in the gross operating surplus component of value added in the annual industry accounts
Schedule M-3	Part III Lines 3,9,11, 12Stock option expenses, fines & penalties, state & local tax expense, expenses for meals and entertainment	Corporate profits component of national income in the NIPAs

IRS Form 1120-C and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
Form 1120-C	Total Income and Total Deductions	Annual estimates of patronage dividends of farmers' cooperatives, non-farm proprietors' income
Form 1125-A (formerly Form 1120 Schedule A)	Cost of Goods Sold	Annual estimates of patronage dividends of farmers' cooperatives, non-farm proprietors' income
Schedule C	Dividends and Special Deductions	Annual estimates of patronage dividends of farmers' cooperatives, non-farm proprietors' income

IRS Form 1120-F and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
Form 1120-F	Total receipts, total deductions, capital gains, and depreciation	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs
	Interest paid, interest received, cash assets	Monetary interest paid, monetary interest received, and imputed interest received by industry in the net interest component of national income in the NIPAs
	Charitable contributions	Donations component of business current transfer payments in the NIPAs
	Inventories, for selected industries	Change in private inventories component of GDP

IRS Form 1120-L and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
Form 1120-L	Lines 1-32, Income and Deductions,	Annual estimates of corporate profits before tax, profits tax liability, and dividends in the corporate profits component of national income Annual estimates of monetary interest paid, monetary interest received, and to distribute imputed interest received by industry in the net interest component of national income
Schedule A	Lines 1-22, Dividend Income	Annual estimates of corporate profits before tax, profits tax liability, and dividends in the corporate profits component of national income

Schedule K	Lines 1-10, Total Tax	Annual estimates of corporate profits before tax, profits tax liability, and dividends in the corporate profits component of national income
Schedule M3 Part III	Lines 8, 11, 12, 15, 16, 18, 28, 29, 30, 32, and 33, Expense/Deduction Items columns a, c, and d	Annual estimates of corporate profits before tax, profits tax liability, and dividends in the corporate profits component of national income

IRS Form 1120-PC and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
1120-PC	Total receipts and total deductions, interest paid, interest received, cash assets	Annual corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs and GDP by industry
	Charitable contributions	Annual donations component of business transfer payments in the NIPAs and GDP by industry
	Rents combined with other tax information (not on this form)	Rents paid by business component of annual and benchmark I-O accounts

IRS Form 1120-REIT and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
1120-REIT	Total receipts, total deductions, and tax	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs
	Interest paid, interest received, cash assets	Monetary interest paid, monetary interest received, and imputed interest received by industry in the net interest

		component of national income in the NIPAs
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IRS Form 1120-RIC and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
Part I	Lines 1 – 33, Income and deductions	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs
Part II	Lines 1 – 4, Capital gains	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs
Schedule A	Lines 1 – 8, Deductions for dividends paid,	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs
Schedule J	Lines 2 – 7, Taxes	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs
Schedule L	Line 1, Cash	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs
Schedule M-1	Line 7, Tax exempt interest	Monetary interest paid and monetary interest received in the net interest component of national income in the NIPAs
Schedule M-2	Lines 5a and 5c, Distributions of cash and property	Corporate profits before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs

IRS Form 1120-S and Related Schedules

Form/Schedule Used	Item Used	Description of BEA Use
Form 1120-S	Most items used	Corporate profits of S corporations before tax, profits tax liability, and dividends in corporate profits component of national income in the NIPAs and in the gross operating surplus component of value added in the annual industry accounts
Schedule M-3	Part III Lines 3,9,11, 12Stock option expenses, fines & penalties, state & local tax expense, expenses for meals and entertainment	Corporate profits component of national income in the NIPAs