

October 23, 2024

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

RE: *Federal Register* notice of September 11, 2024, 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| Schedule A, Cost of Goods Sold | Line 1, Inventory at beginning of year Line 2, Purchases less cost of items withdrawn for personal use Line 3, Cost of labor Line 4, Additional section 263A costs Line 5, Other costs Line 6, Total costs Line 7, Inventory at end of year |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 |