

November 21, 2016

Ms. Tuawana Pinkston
Internal Revenue Service
Room 6526
1111 Constitution Avenue, NW
Washington, DC 20224

RE: *Federal Register* notice of September 28, 2016, for Internal Revenue Service,
Form 1120-L, U.S. Business Income Tax Return (OMB Number: 1545-0123, formerly 1545-0128)

Dear Ms. Pinkston:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Internal Revenue Service (IRS) on Form 1120-L and related schedules collected as a “single collection of information” under OMB control number 1545-0123. This form is our main data source for key components of BEA’s economic statistics.

BEA uses information from this form to prepare the national income and product accounts (NIPA). Specifically, data from this form are used to prepare annual estimates of corporate profits before tax, profits tax liability, and dividends in the corporate profits component of national income. Data on interest paid, interest received, and cash assets are used to prepare 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. NIPA data in turn are used to prepare estimates by industry by BEA’s annual Industry Accounts program.

BEA uses Form 1120-L (along with the Annual Statement of the Life, Accident and Health Companies) to compute national income estimates. BEA uses the M-3 Schedule (Net Income (Loss) Reconciliation for U.S. Life Insurance Companies with Total Assets of \$10 Million or More) to prepare annual estimates of corporate profits before tax. The attachment describes the items used from the various schedules on Form 1120-L.

Please keep BEA informed about 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

Items from IRS Form 1120-L and Schedules Used by BEA

The following items are used to prepare estimates of corporate profits, interest, taxes, dividends, and donations:

Form/Schedule	Items
Form 1120-L	Income and Deductions Lines 1 – 26
Schedule A	Dividend Income Lines 1 – 15
Schedule K	Total Tax Lines 1 – 10
Schedule M-3 Part III	Expense/Deduction Items columns a, c, and d for lines 8, 11, 12, 15, 16, 18, 28, 29, 30, 32, and 33