

October 2, 2006

Mr. Glenn P. Kirkland
Internal Revenue Service -- OMB Unit
1111 Constitution Avenue, NW, Room 6406
Washington, DC 20224

RE: *Federal Register* notice of August 3, 2006, on the Internal Revenue Service Form 1040, U.S. Individual Tax Return, and Schedules A, B, C, C-EZ, D, D-1, E, EIC, F, H, J, R, and SE; and Form 1040A and Schedules 1, 2, 3; and Form 1040EZ; and all attachments to these forms (OMB Number: 1545-0074)

Dear Mr. Kirkland:

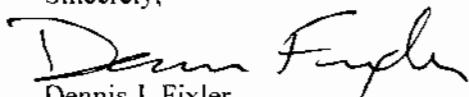
The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Internal Revenue Service (IRS) on Form 1040, Form 1040A, and Form 1040EZ and their related schedules and attachments; hereby, referred to as Form 1040. These forms are our only data source for several key components of BEA's economic statistics.

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

- a. of the nonfarm proprietors' income, net interest, employer contributions for employee pension and insurance funds, and rental income of persons (royalties) components of national income, and the change in private inventories component of the gross domestic product.
- b. by BEA's regional program which uses state and county tabulations from Form 1040 items to estimate similar components for state and local area personal income, disposable personal income and gross state product.
- c. for special comparisons of tax-return and national account measures of personal income and taxes.

Please keep BEA informed concerning any modifications to this form. 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 Ruth Bramblett, Source Data Coordinator, on 202-606-9653 or by e-mail at Ruth.Bramblett@bea.gov. If you should 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 Statistician