

November 19, 2018

Laura Brimmer
Internal Revenue Service
Room 6526
1111 Constitution Avenue NW
Washington, DC 20224

RE: *Federal Register* notice of October 9, 2018, for Internal Revenue Service Form 1065, U.S. Business Income Tax Return (OMB Number: 1545-0123, formerly 1545-0099)

Dear Ms. Brimmer:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Internal Revenue Service (IRS) on Form 1065 and related schedules collected as a “single collection of information” under OMB control number 1545-0123. The data collected on Form 1065 is crucial to key components of BEA’s economic statistics.

Data from this form are used to prepare estimates of the nonfarm proprietors’ income, net interest, employer contributions for employee pension and insurance funds components of national income, and the change in private inventories component of gross domestic product. Also, these data are used to prepare nonfarm proprietors’ income and employment estimates at the state and county level. The attached table lists the items used for these estimates.

Please keep BEA informed concerning any modifications to this form. We are particularly interested in any modifications proposed during the form’s 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 1065 and Related Schedules Used by BEA

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Schedule A, Cost of Goods Sold	Line 1 - Inventory at beginning of year Line 2 - Purchases less cost of items withdrawn for personal use Line 3 - Cost of labor Line 4 - Additional section 263A costs Line 5 - Other costs Line 6 - Total costs Line 7 - Inventory at end of year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