

**SUPPORTING STATEMENT
(Form 3468)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 46 of the Internal Revenue Code allows an investment credit to be claimed against income tax liability. The three components making up the investment credit are the rehabilitation credit under Code section 47, and the energy and reforestation credits under Code section 48. The investment credit is part of the general business credit under Code section 38.

Form 3468 provides for the computation and tax limitation of the investment credit.

2. USE OF DATA

IRS uses the information on Form 3468 to see if the credit is computed correctly.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are currently offering electronic filing for Form 1065 and 1041. This form can be submitted electronically with the related forms.

4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

Not applicable.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Not applicable.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

Not applicable.

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 3468.

In response to the **Federal Register** notice (71 FR 37163), dated June 29, 2006, we received no comments during the comment period regarding Form 3468.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 3468	14,898	20.68	308,091

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

The following regulations imposed no additional burden. Please continue to assign OMB number 1545-0155 to these

regulations.

1.46-8(e)(6)(iv)	1.48-6(d)	
1.46-3	1.46-5(h)(4)	
1.46-5(e)(2)	1.46-9(e)(3)	
1.46-9(c)	1.46-6(f)(6)	
1.47-1(e)	1.46-4(d)	
1.47-1(h)	1.48-4(f)	
1.47-1(e)(1)	1.46-1	
1.47-3(f), (h)	1.47-1	
1.48-4(j)	1.46-9(d)(2)	
1.48-3(d)	1.48-3(c)	
1.46-5	1.46-9(f)(2)(iii)	
1.46-3(e)		1.46-8(a),
	(c)	
1.48-5(b)	1.46-8(f)	1.46-5(j)(6)
1.48-8(c)	1.48-12	1.46-8(d)(4)

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice dated June 29, 2006, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$10,713.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB.

We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I

Not applicable.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.