

**SUPPORTING STATEMENT
(Form 3468)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Taxpayers are allowed a credit against their income tax for certain expenses they incur for their trades or businesses.

2. USE OF DATA

Form 3468 is used to compute Taxpayers credit against their income tax for certain expenses incurred for their trades or businesses. The information collected is used by the IRS to verify that the credit has been correctly computed.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing because of low filing volume compared to cost of electronic enabling.

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 dated August 12, 2009 (74 FR 40644), 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	15,345	34.60	530,937

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 this regulation.

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13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated August 12, 2009 (74 FR 40644), 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

After consultation with various functions within the Service, we estimate the cost of developing, printing, processing, distribution, and overhead for Form 3468 is \$9,300.

15. REASONS FOR CHANGE IN BURDEN

Changes to the form from the prior submission include:

The Energy Improvement and Extension Act of 2008:

- Added three new energy properties eligible for the energy tax year credit for property placed in service after October 3, 2008.
- Increased the qualified fuel cell limit from \$500 per half kilowatt capacity to \$1,500 per half kilowatt capacity.
- Allow the energy credit to offset the alternative minimum tax for tax years beginning after October 3, 2008.

The American Recovery and Reinvestment Act of 2009:

- Added a new investment credit for qualifying advanced energy project credit for periods after February 17, 2009.
- Repealed the credit limitation for qualified small wind energy property for periods after December 31, 2008.
- Provides an election to treat qualified facilities as energy property for facilities placed in service after December 31, 2008

The above changes have resulted in a net decrease of 134,269 program hours.

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.