

**Supporting Statement  
Form 3800**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 38 of the Internal Revenue Code (IRC) permits taxpayers to reduce their income tax liability by the general business credit. The general business credit consists of the investment credit, job credit, alcohol used as fuel credit, research credit, low-income housing credit, disabled access credit, the enhanced oil recovery credit, the renewable electricity production credit, Indian employment credit, credit for employer social security and Medicare taxes paid on certain employee tips, the credit for contributions to selected community development corporations, etc.

Section 39 of the IRC provides that if the general business credit cannot all be claimed in the current year because of the tax liability limitation, the unclaimed amount shall be carried back to each of the 3 years preceding the credit year and then forward for up to 15 years following the credit year.

**2. USE OF DATA**

Form 3800 provides the IRS with the information necessary to verify that the correct credit has been claimed.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

Electronic filing is available.

**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 3800.

In response to the *Federal Register* notice (**75 FR 40031**), dated July 13, 2010, we received no comments during the comment period regarding Form 3800.

**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**

<b>Form</b>	<b>Number of Responses</b>	<b>Time per Response</b>	<b>Total Hours</b>
<b>3800</b>	250,000	21.23	5,307,500

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

### **13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

As suggested by OMB, our *Federal Register* notice(75 FR 40031) dated July 13, 2010, 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 responses from taxpayers on this subject. As a result, estimates of these 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 \$3,500.

### **15. REASONS FOR CHANGE IN BURDEN**

The Small Business Jobs Act of 2010 allows general business credits of eligible small businesses to offset both regular tax and alternative minimum tax (AMT) for tax years beginning in 2010. Such eligible small business credits (ESBCs) determined in the first tax year in 2010 is carried back five years.

The following new general business credits are added:

- Line 1aa - New hire retention credit (Form 5884-B).
- Line 29h - Credit for small employer health insurance premiums (Form 8941).

The following general business credits are no longer applicable and removed from line 1:

- Welfare-to-work credit (Form 8861).
- Credit for contributions to selected community development corporations (Form 8847).

These changes to comply with the new statutory entitlements/credits will result in an estimated increase of 70,350 responses and a total estimated burden increase of 663,547 hours.

Attached is a table of cumulative changes to Form 3800 from 2009 through 2010.

We are also 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**

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the statutes/regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

**18. EXCEPTION 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.