

Internal Revenue Service

Memorandum

Date: December 7, 2010

To: Shagufta Ahmed, OIRA Desk Officer

From: R. Joseph Durbala, IRS, Tax Analyst

Subject: Emergency Justification Statement for Form 5884-B, New Hire Retention Credit

On March 18, 2010, as part of the *Hiring Incentives To Restore Employment Act*, Public Law (P.L.) 111-147, Title I, Incentives for Hiring and Retaining Unemployed Workers, Section 102, Business Credit for retention of certain newly hired individuals in 2010, required the creation of the new Form 5884-B, New Hire Retention Credit. The new form reflects this new non-Coded general business credits under section 38.

Since then, we have been developing the form's layout and its associated instructions with assistance from Chief Counsel. The final format of the two-page form and the instructions were finalized in late September.

An earlier request to OMB for Paperwork Reduction Act submission on the form and its instructions would have yielded incorrect results.

As the form and instructions are needed for fiscal year filers with tax years ending February 2011 for individuals and most business entities waiting the full 150 days for the process would yield a February 2011 availability date. This would hamper timely filing of taxpayer tax returns, especially corporate taxpayers, as the due date of fiscal year ending February 2011 corporations is May 16, 2011.

A late availability of the form would not allow taxpayers to timely understand the new form and instructions. This would then place undue burden on both the taxpayer and the Service as extensions may have to be prepared by taxpayers and the Service would have to process them. Alternatively, the taxpayer could file their return on time and then have to file an amended return at a later date. This would also add undue taxpayer burden and burden the Service with additional processing costs for the second return.

Thus, we are requesting an emergency Paperwork Reduction Act review by December 17, 2010.

Please advise me whether this Emergency request will be accepted by OMB by December 10, 2010. If you have any questions or concerns, please let me know. I can be reached at (202) 622-3634 or by e-mail at RJoseph.Durbala@irs.gov.

Your assistance in this matter is appreciated.