

**SUPPORTING STATEMENT
(Form 8609, 8609-A)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 38 of the Internal Revenue Code allows a credit under section 42 of the Code to owners of certain low-income residential rental property. To qualify for this credit, the owner of the building(s) applies to the state housing credit agency for an allocation of the state's ceiling of the low-income housing credit. The housing credit agency issues the allocation to the owner using Part I of Form 8609. The building owner makes copies of the Form 8609 received from the state housing credit agency, completes all of Part II in the year the building is placed in service, certifies that the building continues to qualify for the credit each year of the compliance period (usually 15 years), and attaches the copy of Form 8609 to the building owner's income tax return.

2. USE OF DATA

The information on these forms is used by the IRS to compute and verify the tax credit claimed for low-income housing.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to the 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 8609.

In response to the **Federal Register** notice (76 FR 12224), dated March 4, 2011, we received no comments during the comment period regarding Form 8609.

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

The burden estimate is as follows:

Form	per Hours	Total Hours	<u>Responses</u>	Number of <u>Response</u>	Time
Form 8609		750,732	41,046	18.29	

Form 8609-A	300,000	11.03	3,309,000
Line 11, worksheet	18,000	1.70	<u>30,600</u>

Total			4,090,332
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Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register** notice (76 FR 12224), dated March 4, 2011, 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 these forms. We estimate that the cost of printing the forms is \$18,500.

15. REASONS FOR CHANGE IN BURDEN

Changes were made to this collection to separate out the burden associated with each form. This will increase the accuracy of reporting future burden trends relating to each separate form or worksheet. The result is an adjustment to our burden estimate by an increase in the estimated number of responses by 119,046 and an increase in the total burden by 379,777 hours.

Changes have been made to the form and instructions to comply with the ending of the credit, initially made in 2006, 2007, or 2008, for the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone. This credit was provided as provisions of the Katrina Emergency Tax Relief Act of 2005 and the Gulf Opportunity Zone Act of 2005. The ending date for the period during which the building must be placed in service has been extended to December 31, 2011. As a result of the changes made to comply with the December 31, 2011 extension, we estimate this will result in an increase in the total burden hours by 381,155. However, we estimate

that the new annual responses for this credit will decrease by 18,000 from what was previously approved by OMB.

The net result of the changes made to these forms is an estimated increase in the number of responses by 101,046 and an increase in the total burden by 760,932 hours.

This form is being submitted for renewal purposes.

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.