

**Supporting Statement
(Form 8850)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Employers use Form 8850 as part of a written request to a state employment security agency (SESA) to certify an employee as a member of a targeted group for purposes of qualifying for the work opportunity credit, or the welfare-to-work credit. The credits apply only to individuals who begin work before July 1, 1999. Internal Revenue Code section 51(d)(12) provides for the pre-screening notice.

2. USE OF DATA

Form 8850 contains the information provided to the employer by the applicant that forms the basis of the employer's belief that the applicant is a member of a targeted group. The information is used by the SESA to determine if the job applicant is a member of a targeted group.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 8850 is currently available for electronic filing.

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 8850.

In response to the Federal Register Notice (76 FR 47648), dated August 5, 2011, we received no comments during the comment period regarding Form 8850.

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

Form	Number of Responses	Time per Response	Total Hours
8850			440,000
		7.58	3,335,200

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 dated August 5, 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 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 \$1,604.

15. REASONS FOR CHANGE IN BURDEN

Changes to the Form 8850 that affects overall burden:

-Line 1 was deleted since the law for Hurricane Katrina expired (Katrina Emergency Tax Relief Act of 2005 [Pub. L. 109-73]).

-The last bullet under new checkbox 2 was deleted since the target group for disconnected youth expired at the end of 2010. (IRC section 51(d) - enacted by the Section 1221 of the American Recovery and Reinvestment Tax Act of 2009 (ARRTA, Pub. L. 111-5).

As a result, the program expects approximately 80,000 "less" filers to complete Form 8850, and a decrease in burden of 606,400 hours. These program changes are attributed to expiring statutes.

-A new box 3 was added to expand the target group for unemployed veterans. Per 26 U.S.C. 261 and the VOW to Hire Heroes Act of 2011, HR 674, Form 8850 a pre-screening form for an employee to qualify for the Work Opportunity Credit. The VOW to Hire Heroes Act of 2011, allows veterans that were unemployed for four weeks to qualify for the Work Opportunity Credit. It expands the definition of target group for qualified veterans.

As a result, the program expects approximately 80,000 new filers to complete Form 8850, for an increase in burden of 1,860,400 hours. These program changes are attributed to new statute.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

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.