

Supporting Statement
(Form 8850)
OMB # 1545-1500

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. The credit 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

There are no small entities affected by this collection.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

If the IRS did not collect this information, they would not be able to determine if the applicant is a member of the target employee group and/if eligible for the work opportunity credit annually.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE

INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

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 (80 FR 7077), dated February 9, 2015, we received no comments during the comment period regarding Form 8850.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

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

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Form	Number of Responses	Time per Response	Total Hours
8850			440,000
		7.37	3,242,800

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

There are no start-up costs associated with this collection.

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

The Tax Increase Prevention Act of 2014 (Public Law (P.L.) 113-295, Division A, section 119 (IRC 51(c)(4))) retroactively extended the work opportunity tax credit. P.L. 113-295, Division A, section 139 (IRC 1391(d)(1)(A)(i)), retroactively extended empowerment zone designations. Form 8850 and its separate instructions are being revised to reflect transitional certification guidance provided by recently issued Notice 2015-13. The instructions are being revised to reflect guidance for states and local governments on how to amend their nominations for empowerment zone designations.

There will be a decrease of 92,400 hours in the total burden for this collection due to a reduction of code section referenced in the instruction.

We are also making this submission for renewal purposes.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION

See attachment.

18. EXCEPTION TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

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.