

SUPPORTING STATEMENT
Form 13704
OMB 1545-1954

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code Sections 35 and 7527 enacted by public law 107-210 (see attachment) require the Internal Revenue Service to provide payments of the HCTC to eligible individuals beginning August 1, 2003. The IRS will use the Registration Update Form to ensure, that the processes and communications for delivering these payments help taxpayers determine if they are eligible for the credit and understand what they need to do to continue to receive it.—

2. USE OF DATA

Only the data pertaining to administering the payment of the HCTC will be used. This information is gathered to ensure individuals applying for the credit are eligible to receive it.

The Trade Preferences Extension Act of 2015 (Public Law 114-27), enacted June 29, 2015, extended and modified the expired Health Coverage Tax Credit. Previously, those eligible for HCTC could claim the credit against the premiums they paid for certain health insurance coverage through 2013. The HCTC can now be claimed for coverage through 2019.

The IRS is currently reviewing the legislation and is working with its partners, the Pension Benefit Guaranty Corporation and the Department of Labor State Workforce Agencies, to determine the best way for taxpayers to receive this important credit. The law is similar to the version of the credit that expired in 2013 but includes modifications that affect how the credit is administered. The IRS will provide guidance on the credit in the near future, including guidance for taxpayers who also qualify for the [Premium Tax Credit](#) under the Affordable Care Act.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

There are no plans to provide electronic filing because electronic filing is not appropriate for the collection of

information in this submission.

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

The Health Coverage Tax Credit is a federally funded tax credit that allows individuals to pay only a portion of their qualified health insurance. The HCTC helps make health coverage more affordable for eligible individuals and their families by paying a significant portion of qualified health insurance premiums.

Certain displaced workers are certified by the Department of Labor as eligible to receive Trade Readjustment Allowances under the Trade Adjustment Assistance program. Others may be eligible because they receive benefits from the Pension Benefit Guaranty Corporation and are 55 years old or older.

If these credits are not timely applied for the consequence to taxpayers would result in the absence of adequate insurance as well as being financially penalized.

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

Health Coverage Tax Credit Program representatives have requested its implementation partners, including Department

of Labor and the Pension Benefit Guarantee Corporation, to provide input into the creation of the HCTC Registration Update Form.

In response to the Federal Register notice (80 FR 31458) dated June 2, 2015, we received no comments during the comment period regarding Form 13704.

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

No payment of 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

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Individual Master File (IMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.030--Customer Account Data Engine Individual Master File, formerly Individual Master File, and IRS 34.037--IRS Audit Trail and Security Records System. The Department of Treasury PIAs can be found at <https://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
HCTC Registration Update Form	2200	.55	1100

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

There is no estimated annualized cost to the federal government.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing the Registration Update Form. We estimate that the cost of printing the form is \$6,000.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

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 DATE IS INAPPROPRIATE

See attachment.

18. EXCEPTIONS 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.