

SUPPORTING STATEMENT

Form 5884-C

OMB 1545-2226

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 5884-C was developed as a result of VOW to Hire Heroes Act of 2011, PL 112-58. Section 261 of PL 112-56 expanded the Work Opportunity Credit to tax-exempt organizations that hire unemployed veterans. The tax credit is a reduction in payroll taxes paid by the tax-exempt organization. Form 5884-C allows a tax-exempt organization a way to claim the credit and provides the IRS the information to process the tax credit.

2. USE OF DATA

Form 5884-C will provide tax-exempt employers with a tax form to claim the new tax credit. The data on Form 5884-C will be used to adjust the payroll taxes of the employer that claims the Work Opportunity Credit.

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 whenever possible.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

We limited the questions on Form 5884-C to obtain only necessary information to process the tax form. All taxpayers, including small entities, complete the same tax form.

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

If this information was not reported to the IRS, the qualified tax-exempt organization could not take advantage of the credit; which could reduce their organization's tax liability."

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 various professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding the collection requirements under this notice.

In response to the Federal Register notice (80 FR 34962), dated June 18, 2015, we received no comments during the comment period regarding this form.

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

The estimated burden is based on the number of projected filers and the time to complete Form 5884-C.

# Annual Response	Time Per Response	Total Burden
60,530	6.57	397,683

Estimates of the annualized cost to respondents for the tax burden are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

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

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The Federal Government has costs of the professional staff in Forms and Pubs to write Form 5884-C.

In addition, there will be processing, developing and distribution costs. These costs would total \$11,000.

15. REASONS FOR CHANGE IN BURDEN

There are no changes in burden at this time. We are 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 DATE IS INAPPROPRIATE

See attachment

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.