

SUPPORTING STATEMENT
Credit for Employer-Provided Childcare Facilities and Services
Form 8882
1545-1809

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 8882 implements section 45F, which provides a credit based on costs incurred by an employer in providing childcare facilities and resource and referral services. Section 45F was added by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA 2001), effective for tax years beginning after 2001. The credit is 25% of the qualified childcare expenditures plus 10% of the qualified childcare resource and referral expenditures for the tax year, up to a maximum credit of \$150,000 per tax year.

2. USE OF DATA

Form 8882 is used by childcare providers who acquire, construct, rehabilitate or expand property which is to be used as a qualified childcare facility. Providers use Form 8882 to claim the credit for qualified childcare facility, resource, and referral expenditures. The credit is part of the general business credit. The Internal Revenue Service (IRS) uses this information to ensure that childcare providers are complying with the law and to allow the agency to determine that the right amount of credit has been given.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 8882 can be filled and filed electronically.

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 Internal Revenue Service (IRS) uses this information to

ensure that childcare providers are complying with the law and to allow the agency to determine that the right amount of credit has been given. If the information is not collected or collected less frequently, there would be no way to determine that the right amount of credit was given resulting in possible under or over payments. This would result in additional costs and could negatively impact revenue.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CAR 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 8882.

In response to the *Federal Register* notice dated September 21, 2015 (80 F.R. 57050), we received no comments during the comment period regarding Form 8882.

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 U.S.C. 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: Treas/IRS 24.030 CADE Individual Master File, and Treas/IRS 34.037 IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA> .

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>
Form 8882	286	3.68	1,053

13. **ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There are no annual 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 Form 8882. We estimate that the cost of printing the form is \$50.

15. **REASONS FOR CHANGE IN BURDEN**

The agency has adjusted its estimated annual number of responses based on current data. The number of forms received for processing in 2014 was 286. This results in a decrease of both responses (666,380) and hours (2,458,945). There are a couple of other tax benefits for employers and employees that are being taken advantage of, reducing the number of Form 8882 being received.

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 attached document below (OMB EXPIRATION, page 5).

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.

OMB EXPIRATION DATE

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.