

**SUPPORTING STATEMENT
(Form 3468)
OMB Control Number 1545-0155**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Taxpayers are allowed a credit against their income tax for certain expenses they incur for their trades or businesses.

2. USE OF DATA

Form 3468 is used to compute Taxpayers credit against their income tax for certain expenses incurred for their trades or businesses. The information collected is used by the IRS to verify that the credit has been correctly computed.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing because of low filing volume compared to cost of electronic enabling.

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 methods to minimize burden on small businesses or other small entities.

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

Because Form 3468 is usually updated for year changes only, less frequent information collections would not negatively affect Federal programs or policy activities but if there is a change in policy or there are legislative changes which impact the use of this form a noncyclical information collection would be suggested irrespective of any suggested collection cycle.

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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

In response to the **Federal Register** notice dated March 15, 2016 (81 FR 13878), we received no comments during the comment period regarding Form 3468.

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

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Business Master File (BMF)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Department of Treasury 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

	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
Form 3468	15,345	34.11	523,418

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0155 to this regulation.

1.46-1	1.47-1	1.48-12(d)(6)
1.46-3&4	1.47-3	1.48-12(d)(7)(i)&(ii)
1.46-5&6	1.48-3 through 6	1.48-12(d)(7)(iv)(B)&(C)
1.46-8&9	1.48-12(b)(2)(vii)&(ix)	1.6851-1&2
1.46-11	1.48-12(d)(5)(ii)	

Form 3468 is used by individuals, businesses, and estates and trusts. The estimate of burden that is being reported under 1545-0155 reports only the burden imposed on estates and trusts. The portion of the burden imposed on individual taxpayers is approved and reported under OMB Control Number 1545-0074. The portion of the burden imposed on business is approved and reported under OMB Control Number 1545-0123.

There has been no changes to the form. The change in burden is only a reflection of the change in the number of burden time hours.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no estimated annual cost burden to the respondents.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we estimate the cost of developing, printing, processing, distribution, and overhead for Form 3468 is \$9,300.

15. REASONS FOR CHANGE IN BURDEN

There are no changes being made to this form at this time. We are making this submission to renew the OMB approval.

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.