

SUPPORTING STATEMENT
Internal Revenue Service
Credits for Affected Disaster Area Employers
Form 5884-A
OMB Number 1545-1978

. **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Public Law 115-63, Disaster Tax Relief and Airport and Airway Extension Act of 2017, Section 503, addressed disaster-related employment relief. Section 503(a) permits the employee retention credit for employers affected by Hurricane Harvey. Section 503(b) permits the employee retention credit for employers affected by Hurricane Irma. Section 503(c) permits the employee retention credit for employers affected by Hurricane Maria. Form 5884-A is used to figure the employee retention credit that an eligible employer who conducted an active trade or business in the Hurricane Harvey, Irma, or Maria disaster zones may claim. The credit is equal to 40 percent of qualified wages for each eligible employee (up to a maximum of \$6,000 in qualified wages per employee).

. **USE OF DATA**

The information is used by employers and the IRS to determine whether the employee retention credit is available.

. **USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

The IRS is currently offering electronic filing on Form 5884-A.

. **EFFORTS TO IDENTIFY DUPLICATION**

The information obtained through this collection is unique and is not already available or use or adaption from another source.

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

IRS has attempted to minimize burden on small businesses or other small entities by closely following previous revisions of this form.

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

If the IRS did not collect this information, the taxpayer and IRS would not have the information to determine whether the credit is appropriate. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting its mission.

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 TD 9187

IRS has not had an opportunity to publish a Federal Register Notice for this collection since the P.L. 115-63, Disaster Tax Relief and Airport and Airway Extension Act of 2017, Section 503, addressed disaster-related employment relief. A federal register notice will be published at the earliest opportunity to allow the public a comment period.

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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" and a Privacy Act System of Records notice (SORN) has been issued for these systems under Treas/IRS 24.046 BMF and Treas/IRS 34.047 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.

This is an attachment to the Federal tax return. The Privacy Act statement associated with this Form is listed in the Federal tax return instructions.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Authorizing Statute	Description	# Respondents	# Responses Per Respondent-Approximate	Total Annual Responses	Hours Per Response	Total Burden
P.L. 115-63, Section 503,	Form 5884-A Credits for Affected Disaster Area Employers	250,000	1	250,000	3 hrs., 2 min.	760,000

The individual filer burden is reported under 1545-0074 and the business filer burden is reported under 1545-0123. The above burden is for all other filers.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

15. REASONS FOR CHANGE IN BURDEN

Form 5884-A originally provided for: (1) an employee retention credit for qualified wages paid or incurred before 2009 and (2) an employer housing credit for qualified lodging furnished to qualified employees from Nov. 1, 2008, through May 1, 2009. Those rules have sunset and the IRS did not expect anymore forms to be filed therefore, the form was made obsolete. However, due to the disasters created by Hurricane Harvey, Irma, and Maria, the form has been reinstated under P.L. 115-63, section 503, Disaster Tax Relief and Airport and Airway Extension Act of 2017.

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

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

19. EMERGENCY JUSTIFICATION

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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.