

**Supporting Statement**  
**Internal Revenue Service**  
**(TD 8302) Low-income Housing Credit for Federally-assisted Buildings**  
**OMB #1545-1005**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 252 of the Tax Reform Act of 1986 added section 42 to the Internal Revenue Code. Section 42 provides a low-income housing credit for qualified low-income buildings. Section 42(d)(6) provides for taxpayers (owners of qualified low-income buildings) to seek a written waiver from the Internal Revenue Service for qualified low-income buildings acquired during a special 10-year period in order to avert a claim against a Federal mortgage insurance fund. The waiver permits the acquirer of the qualified low-income housing to properly claim the low-income housing credit on a Federal income tax return.

These final regulations (section 1.42-2) provide State and local housing credit agencies and owners of qualified low-income buildings with guidance regarding compliance with the waiver requirement of section 42(d)(6). The information required for the waiver is to be attached to the written request submitted to the IRS by the acquirer of the qualified low-income building.

**2. USE OF DATA**

The Internal Revenue Service will use the information provided to monitor compliance with the State volume caps under section 42(h) for the low-income housing credit and to ensure that persons or entities claiming the low-income housing credit under section 42 are properly entitled to claim it on a Federal income tax return. The Service cannot enforce compliance with these statutory provisions without such information.

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

IRS Publications Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998. Electronic filing of the written waiver is not currently because of the evaluative nature of the determination.

**4. EFFORTS TO IDENTIFY DUPLICATION**

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

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

The collection of information requirement will not have a significant economic impact on a substantial number of small entities.

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

A less frequent collection of this information would not allow the IRS to use the information provided to monitor compliance with the State volume caps under section 42(h) for the low-income housing credit and to ensure that persons or entities claiming the low-income housing credit under section 42 are properly entitled to claim it on a Federal income tax return. The Service cannot enforce compliance with these statutory provisions without such information.

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 October 4, 2017 (82 46349), we received no comments during the comment period regarding TD 8302.

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

No payment or gift will be 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**

There is no sensitive personally identifiable information (PII) in this collection.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Final regulation section 1.42-2(d) requires documentary evidence of financial distress leading to a potential claim against a Federal mortgage insurance fund in order to get a written waiver from the IRS for the acquirer of the qualified low-income building to properly claim the low-income housing credit. We estimate that 1,000 taxpayers will be affected and that it will take approximately 3 hours to provide the information needed to obtain a waiver. The total burden is estimated to be 3,000 hours (e.g., 3 x 1,000).

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Treasury Regulation 1.42-2(d)	TD 8032	1,000	1	1,000	3	3000
				1,000		3000

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**

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**

There is no change in the paperwork burden previously approved by OMB. IRS is 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**

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation 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.

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18. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions to the certification statement.

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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.