

SUPPORTING STATEMENT
Internal Revenue Service
(Form 8994)
Employer Credit for Paid Family and Medical Leave
(Under IRC 45S)
OMB # 1545-XXXX

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 8894- Employer Credit for Paid Family and Medical Leave (Under Section 45S), is used by an eligible employer to figure and claim a credit for family and medical leave. The credit is generally equal to up to 25% of certain wages paid to a qualifying employee while the employee is on family and medical leave. An eligible employer is an employer who has a written policy in place that meets certain requirements, including providing:

- At least 2 weeks of paid family and medical leave (annually) to all qualifying employees who work full time (prorated for employees who work part-time), and
- The paid leave is not less than 50% of the wages normally paid to the employee.

For purposes of this credit, family leave is generally up to 12 weeks of leave provided for one or more of the following reasons: (a) birth of an employee's child and to care for the child, (b) placement of a child with the employee for adoption or foster care, (c) to care for the employee's spouse, child, or parent who has a serious health condition, (d) a serious health condition that makes the employee unable to perform the functions of his or her position, (e) any qualifying exigency due to an employee's spouse, child, or parent being on covered active duty (or having been notified of an impending call or order to covered active duty) in the U.S. Armed Forces, (f) to care for a service member who is the employee's spouse, child, parent, or next of kin.

This is a voluntary program.

2. USE OF DATA

IRS has developed Form 8994, Employer Credit for Paid Family and Medical Leave, for taxpayers claiming the credit. Since the credit is new, there is a limited amount of data about how many employers will qualify to use the credit.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

This credit is available only for two years. The form can be filed electronically as a PDF.

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

There is no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity. This is a voluntary program.

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

This a new program and it is voluntary. Employer can claim or elect not to claim the employer credit for paid family and medical leave. All other taxpayers aren't required to complete or file this from if their only source for this credit is a partnership or S corporation. Instead, they can report this credit directly on Form 3800, General business credit. This credit is available for two years (2018 and 2019) only.

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

We received no comments during the comment period in response to the Federal Register notice (83 FR 46019).

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

No payments or gifts 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

The IRS is committed to protecting the privacy rights of America's taxpayers. These rights are protected by the Internal Revenue Code, the Privacy Act of 1974, the Freedom of Information Act, and IRS policies and practices. Visit the IRS Electronic Freedom of Information Act Reading Room for more information about these laws. We document much of our internal policy on these laws in IRM 10.5.1, Privacy Policy.

The Senior Agency Official for Privacy (SAOP), as mandated by OMB M-16-24, has overall responsibility and accountability for ensuring the agency's implementation of information privacy protections, including the agency's full compliance with federal laws, regulations, and policies relating to information privacy. The SAOP for the IRS is positioned at the Department of Treasury.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §§ 45S	F8994	660,000	1	660,000	1.94	1,280,400
Totals				660,000		1,280,400

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

The primary cost to the government consists of the cost of printing Form 8994 and its instructions. Most filers will use software or download their own copy of the form and instructions. We estimate that the cost of printing the form is \$ 3,500.

15. REASONS FOR CHANGE IN BURDEN

Form 8994 is a new form that will be used to claim the new employer credit for paid family and medical leave for wages paid in tax years beginning after December 2017. Because this new credit is a general business credit, the credit for filers who are not partnerships or S corporations will flow to Form 3800 where these filers will figure their tax liability limitation. The credit is scheduled to expire for wages paid in tax years beginning after 2019 [P.L. 115-97, section 13403; IRC 45S].

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.

Note: The following paragraph applies to all 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 if 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.