

SUPPORTING STATEMENT
Credit to Holders of Tax Credit Bonds
Form 8912
1545-2025

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 8912 is used to claim the credit for the following tax credit bonds: Clean renewable energy bond (CREB), New clean renewable energy bond (NCREB), Qualified energy conservation bond (QECB), Qualified zone academy bond (QZAB), Qualified school construction bond (QSCB), and Build America bond (BAB).

Generally, in lieu of, or in addition to, receiving periodic interest payments from the issuer, the holder of the bond is allowed an income tax credit. The credit compensates the holder for lending money to the issuer and functions as interest paid on the bond. Build America bond holders receive taxable interest from the issuer in addition to being allowed an annual income tax credit.

Form 8912, was developed to carry out the provisions of Internal Revenue Code sections 54 and 1400N(I). The form provides a means for the taxpayer to compute the bond credit mentioned above.

The respondents are taxpayers holding a CREB or qualified tax credit bond (a qualified tax credit bond doesn't include a QZAB issued before October 4, 2008) on 1 or more credit allowance dates can claim the credit by filing Form 8912 for each tax year in which it holds the bond on a credit allowance date.

2. USE OF DATA

Form 8912 provides taxpayers a standardized format to figure and claim the credits mentioned above. Form 8912 is submitted along with the return to the IRS which uses the form to verify the sum of the credits transferred to the taxpayer's income tax return.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We offer electronic filing on Form 8912.

4. EFFORTS TO IDENTIFY DUPLICATION

The information requested is unique and does not exist elsewhere within the agency.

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

The Form 8912 has been revised to allow bond holders to provide minimal information for credits reported to them on Forms 1097-BTC. This saves the bond holders time and money in preparing form

8912.

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

The consequences are that the IRS will have to spend more taxpayer assistance resources to collect this data through other means. This will compromise the Agency's ability to enforce tax compliance. Tax compliance is a vital part of the government's ability to meet its' mission and serve the public.

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 (84 FR 11872), dated March 28, 2019, we received no comments during the comment period regarding Form 8912.

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 IRS 22.062 - Electronic Filing Records; IRS 24.030 - Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's 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 estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074. The estimated burden for businesses filing this form is approved under OMB

control number 1545-0123.

The respondents are approximately 500 taxpayers holding a CREB or qualified tax credit bond (a qualified tax credit bond doesn't include a QZAB issued before October 4, 2008) on 1 or more credit allowance dates can claim the credit by filing Form 8912 for each tax year in which it holds the bond on a credit allowance date. It takes about 13.78 hours to comply for a total of 6,892 total annual burden hours.

The estimated burden for all other taxpayers who file this form is shown below:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC 54 and 1400N	Form 8912	50	1	50	13.78	689
Totals				50		689

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 Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized start up expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as; complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is summarized in the table below.

Product	Aggregate Cost per Product (factor applied)	Printing and Distribution	Government Cost Estimate per Product
Form	\$ 38,275	(\$0)	\$ 38,275
Form Instructions	\$ 5,468	(\$0)	\$ 5,468
Grand Total	\$43,743.00		\$43,743.00
Table costs are based on 2018 actuals obtained from IRS Chief Financial Office and Media and Publications			
* New product costs will be included in the next collection update.			

15. REASONS FOR CHANGE IN BURDEN

There are no changes to the collection however the estimates are being updated to eliminate double counting associated with the business collection.

The information collection requirements and burden associated business for Form 8912 is accounted for in OMB control number 1545-0123, U. S. Business Income Tax Return and has been removed from this information collection 1545-2025.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	50	0	-450	0	0	500
Annual IC Time Burden (Hours)	689	0	-6201	0	0	6890

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

It is the view of the IRS that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form and / or 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.

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.