

SUPPORTING STATEMENT  
Internal Revenue Service  
Form 13441-A  
Health Coverage Tax Credit (HCTC) Monthly Registration and Update  
OMB Control No. 1545-1842

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The Health Coverage Tax Credit (HCTC) is a refundable tax credit that pays 72.5% of qualified health insurance premiums for eligible individuals and their families. Taxpayers may elect to receive the credit through advance monthly payments paid directly to their Health Plan Administrator. Section 35 of the Internal Revenue Code allows a credit for payments made to buy certain types of health coverage during the tax year. Section 7527 authorizes the health coverage provider to receive this credit in advance in the form of monthly payments from the Internal Revenue Service. Public Law 114-27 extended the expired HCTC. Form 13441-A is used to enroll in Advance Monthly Payments of the HCTC.

2. USE OF DATA

This information is gathered to ensure individuals applying for the credit meet the eligibility requirements. In addition, the data is used to administer the payment of the HCTC to the appropriate Health Plan Administrator.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The form is not electronically filed because Modernized efile has not chosen to enable it for electronic filing by devoting the necessary time, money, and resources to do so. The IRS has concluded that budgetary considerations require that the limited resources available for enabling electronic filing be allocated to ICs other than the Form associated with this information collection, where the benefits of electronic filing are greater.

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 requirements of the authorizing statute under section 35.

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

Consequences of less frequent collection on federal programs or policy activities could result in a decrease in the amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

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 May 31, 2019 (84 FR 25337), we received no comments during the comment period regarding Form 13441-A.

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 "Individual Master File (IMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.030-CADE Individual Master File and IRS 34.037 IRS 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.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 35 of the Internal Revenue Code allows a credit for payments made to buy certain types of health coverage during the tax year.

Form 13441-A is used to enroll in Advance Monthly Payments of the HCTC.

The burden estimate is as follows:

Authority	Description	# of Respondents	#Responses per Respondent	Annual Response	Hours per Response	Total Burden
IRC 35	Form 13441-A	5,146	1	5,146	.5	2,573

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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for the form 13441-A is \$65,000.

15. REASONS FOR CHANGE IN BURDEN

Changes in burden are due to decrease in estimated filers of (254) and the increase in burden hours of 773 due to the consolidation of the two previous obsolete Forms 13441 and 13441-EZ to current Form 13441-A, which resulted in the overall burden hours of 2,573.

	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	5,146	0	0	(254)	0	5,400
Annual Time Burden (Hr.)	2,573	0	0	773	0	1,800

The Monthly HCTC Group Registration Form was discontinued.

Monthly HCTC Group Registration Form.	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	0	0	0	-3,600	0	3,600
Annual IC Time Burden (Hours)	0	0	0	-900	0	900

The Form 13441-A was changed to accept the filers of the previous Forms 13441 and 13441-EZ and as a result the filers increased from 1800 to 3346 which caused an increase in burden hours of 1,673.

	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	5146	0	0	3346	0	1800
Annual IC Time Burden (Hours)	2573	0	0	1673	0	900

Also, we are making this submission as a renewal of a previously approved collection.

**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.

**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.