

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**(Form 5884-D)**

**Employee Retention Credit for Certain Tax-Exempt Organizations Affected by Qualified  
Disasters**

**OMB Control Number 1545-XXXX**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code (IRC), Section 303(d) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 allows for a new payroll tax credit for certain tax-exempt organization affected by certain qualified disasters. Form 5884-D- Employer Retention Credit for Certain Tax-Exempt Organizations Affected by Qualified Disasters, will be used by a qualified tax-exempt organization (including certain governmental entities) to figure and claim a credit against certain payroll taxes. A qualified tax-exempt organization (including certain governmental entities) that continued to pay or incur wages after activities of the organization became inoperable because of damage from a qualified disaster may be able to claim the 2020 qualified disaster employee retention credit against certain payroll taxes. The credit is equal to:

- 40% of up to \$6,000 of qualified wages paid to or incurred for each eligible employee, and
- The credit is claimed against the employer portion of social security tax on wages paid to all employees during an employment tax period. A list of qualified disasters are available in the instructions.

**2. USE OF DATA**

IRS has developed Form 5884-D, Employee Retention Credit for Certain Tax-Exempt Organizations Affected by Qualified Disasters, for taxpayers claiming the credit. This is a new credit and will only be viable for one tax year.

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

Form 5884-D will be filed on paper as it is not practical to electronically enable the form given the time-sensitivity in issuing it and the short-term nature of its use. Paper versions of this form must be sent to: Department of the Treasury, Internal Revenue Service, Ogden UT, 84201.

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 IRS proactively works with both internal and external stakeholders to minimize the burden on small businesses, while maintaining tax compliance. The Agency also seeks input regarding the burden estimates from the public via notices and tax product instructions. The information requested is the minimum required to claim the credit and there is no provision to further reduce the burden for small entities.

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

This a new program and it is voluntary. Employers can claim or elect not to claim the employee retention credit for certain tax-exempt organizations affected by qualified disasters. This credit is available for one year (2020) 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**

In order to allow tax-exempt organizations affected by certain qualified disasters to claim a new payroll tax credit, IRS requests a waiver from the requirement to publish notice in the Federal Register seeking public comment during the period of Office of Management and Budget review.

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**

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. Treasury/IRS 50.222 Tax Exempt and Government Entities (TE/GE) Case Management. 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**

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §§ 3111(a)	F5884-D	516,266	1	516,266	2.23	1,151,273
Totals						

**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 5884-D and its instructions. We estimate that the cost of printing the form is \$8,000.

**15. REASONS FOR CHANGE IN BURDEN**

This is a submission for a new form, due to a new statute.

**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 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.