

**Supporting Statement**  
Internal Revenue Service  
Credit for Prior Year Minimum Tax – Individuals, Estates, and Trust  
(Form 8801)  
OMB Control Number **1545-1073**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 53 of the Internal Revenue Code (IRC) provides that taxpayers who had an alternative minimum tax liability in years after 1986 can claim a minimum tax credit in subsequent years for alternative minimum tax that was attributable to deferred preferences. Deferred preferences are adjustments on tax preference items other than itemized deductions, tax-exempt interest, the deduction for charitable contributions of appreciated property, and depletion.

Form 8801 is used by individuals and fiduciaries to claim the minimum tax credit, if any, from the prior year's deferred preference items that caused an alternative minimum tax liability.

**2. USE OF DATA**

IRS uses the data to verify the minimum tax credit, for alternative minimum tax incurred in prior years and to figure if any credit to carryforward.

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

Electronic filing of Form 8801 is currently available.

**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. Filers can file Form 8801 electronically, which further reduces any burden to small businesses.

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

A less frequent collection would not enable the IRS to make a determination on the credit allowed to individuals and fiduciaries that was attributable to deferred preference items that caused a prior year alternative minimum tax liability. This could result in the IRS being unable to meet its mission.

**1. 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 13, 2021 (86 FR 26255), we received no comments during the comment period regarding Form 8801.

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

No gifts or payments are being 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)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

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.

Form 8801 is an attachment to a federal tax return. The Privacy Act Statement associated with this form is listed in the Federal Tax Return instructions.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

Individuals, trusts, and estates use Form 8801 to figure the minimum tax credit for alternative minimum tax and any minimum tax credit carryforward. Burden associated with this form imposed on individual taxpayers are covered under OMB number 1545-0074. The burden request in this information collection is associated with estates and trusts (non-individual taxpayers).

<u>Authority</u>	<u>Form</u>	<u>Number of Responses</u>	<u>Number of Responses per Respondent</u>	<u>Annual Responses</u>	<u>Hours per Response</u>	<u>Total Hours</u>
IRC 53	8801	12,914	1	12,914	7.06	91,173
Total		12,914				91,173

**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.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>		<u>Printing and Distribution</u>		<u>Government Cost Estimate per Product</u>
Form 8801	57,121	+	0	=	57,121
Instruction. (F 8801	11,424	+	0	=	11,424
<b>Grand Total</b>	<b>68,545</b>		<b>0</b>		<b>68,545</b>
Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications					

**15. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB. We are 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.

**1. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation and/or form sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

**2. EXCEPTION 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.