




DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

TO: Alex Goodenough, Office of Information and Regulatory Affairs

FROM: Ryan Law, Deputy Assistant Secretary for Privacy, Transparency, and Records 

SUBJECT: Justification for Emergency Processing: Railroad Retirement Tax Act (Forms CT-1 and CT-1X)

The Department of the Treasury and the Internal Revenue Service (IRS) are requesting approval of a revision to OMB Control Number 1545-0001 under emergency procedures in connection with provisions of Public Law 117-2, Sections 9501, 9641, and 9651 (March 11, 2021), commonly referred to as the American Rescue Plan Act of 2021 (ARP).

Section 9501 of the ARP provides a new credit for COBRA premium assistance in the form of a full reduction in the premium otherwise payable by certain individuals and their families who elect COBRA continuation coverage due to a loss of coverage as the result of a reduction in hours or an involuntary termination of employment. Section 9641 of the ARP amends and extends credits for qualified sick and family leave compensation. Section 9651 of the ARP amends and extends the COVID-19 related employee retention credit.

Form CT-1, Employer's Annual Railroad Retirement Tax Return, is used to report taxes imposed by the Railroad Retirement Tax Act (RRTA) and claim eligible employer tax credits. Form CT-1X, Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund, is used to correct errors on a previously filed Form CT-1. The IRS substantially revised both forms for tax year 2021 to allow the reporting of the credits provided by the ARP.

Until the IRS releases the revised Forms CT-1 and CT-1X, taxpayers will not have the ability to claim the correct tax relief provided by the ARP. The IRS plans to release Form CT-1 by January 13, 2022, and thus requests approval of the control number by that date. Given the inability to seek public comment during such a short timeframe, the IRS respectfully 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. However, public comment will be solicited in conjunction with the subsequent extension of the approval to collect this information.