

SUPPORTING STATEMENT
Internal Revenue Service
(Form 8910) Alternative Motor Vehicle Credit
OMB #1545-1998

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The President signed the Energy Policy Act of 2005 ("Act") on August 8, 2005, enacting legislation that allows taxpayers to claim a credit for certain alternative motor vehicles placed in service after December 31, 2005.

This legislation is intended to promote the lease or purchase of certain motor vehicles that make use of alternative technology. Qualifying vehicles are identified, and the entity that uses the vehicle can figure the amount of the credit. The credit can be claimed by individual and business taxpayers. For business taxpayers, some or all of the credit may be claimed as a part of the general business credit. In certain circumstances, the amount of credit claimed may be limited if the vehicle is purchased during the phase-out period.

Internal Revenue Code (IRC) 30B provides for a credit determined under IRC 30B(b), for certain qualified fuel cell motor vehicles. The base amount of the new qualified fuel cell motor vehicle credit varies with the gross vehicle weight rating of the vehicle.

2. USE OF DATA

Form 8910 will provide eligible taxpayers a standardized format to claim this credit.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of Form 8910 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 collection of information requirement will not have a significant economic impact on a substantial number of small entities.

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

Consequences of less frequent collection on federal programs or policy activities would result in a decreased 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(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 April 08, 2022 (87 FR 20936), we received no comments during the comment period regarding Form 8910.

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. The Internal Revenue Service PIA’s can be found at <http://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

Form 8910 is used to figure your credit for alternative motor vehicles you placed in service during your tax year. The credit attributable to depreciable property (vehicles used for business or investment purposes) is treated as a general business credit. Any credit not attributable to depreciable property is treated as a personal credit.

The alternative motor vehicle credit expired for vehicles purchased after 2021. However, if you purchased the vehicle in 2021 but placed it in service during 2022, you may still be able to claim the credit for 2022. Do not report vehicles purchased after 2021 on Form 8910 unless the credit is extended.

Partnerships and S corporations must file this form to claim the credit. All other taxpayers are not required to complete or file this form if their only source for this credit is a partnership or S corporation. Instead, they can report this credit directly on line 1r in Part III of Form 3800, General Business Credit.

The burden estimate is as follows:

Authority	Description	Number of Responses	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §30B	Form 8910	22,183	1	22,183	5.93	131,543
Totals		22,183				131,543

Form 8910 is used by individual, business, and other taxpayers. The portion of the burden imposed on individual taxpayers is approved and reported under OMB Control Number 1545-0074. The portion of the burden imposed on business taxpayers is approved and reported under OMB Control Number 1545-0123. The estimate of burden that is being reported under 1545-1998 reports only the burden imposed on other taxpayers.

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 startup 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 8910)	62,779	+	0	=	62,779
Instructions	5,707	+	0	=	5,707
Grand Total	68,486				68,486
Table costs are based on 2021 actuals obtained from IRS Chief Financial Officer and Media and Publications					
* New product costs will be included in the next collection update.					

15. REASONS FOR CHANGE IN BURDEN

There are no material changes in the paperwork burden previously approved by OMB.

However, the burden for Form 8910 has increase due to better estimates based on the number of taxpayers filing the form. This increases the burden by 18,850 (from 3,333 to 22,183) responses and 117,779 (from 19,764 to 131,543) hours due to adjustment in Agency Estimates.

	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	22,183	0	0	18,850	0	3,333
Annual Time Burden (Hr.)	131,543	0	0	111,779	0	19,764

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 form sunsets as of the expiration date. Taxpayers are not likely to be aware that the IRS 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 returns information are confidential, as required by 26 U.S.C. 6103.