

Supporting Statement  
Internal Revenue Service  
(Form 8908)  
Energy Efficient Home Credit  
OMB # 1545-1979

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Congress passed Public Law 109-58, the Energy Policy Act of 2005, on August 8, 2005, enacting legislation providing a tax credit for contractors producing new energy efficient homes. Section 13304 of the Inflation Reduction Act of 2022 extended, increased, and modified the energy efficient home credit. The extension generally covers homes sold or leased after December 31, 2021, and the increase and modifications are generally effective for homes sold or leased after December 31, 2022. [P.L. 117-169, sec. 13304(f)].

Form 8908 reflects the requirements of the Internal Revenue Code section 45L which allows qualified contractors to claim a credit for each qualified energy-efficient home sold. Eligible contractors use Form 8908 to claim a credit for each qualified energy efficient home sold or leased to another person during the tax year for use as a residence. The credit is based on the energy saving requirements of the home. The credit is part of the general business credit.

**2. USE OF DATA**

The IRS will use Form 8908 to monitor and validate claims for the new energy efficient home credit for homes. Eligible contractors may claim the credit for new energy efficient homes that are acquired by sale or lease by an individual from that contractor during the tax year for use as a residence.

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

Form 8908 is available for electronic filing.

**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 as OMB approval for 1545-1979 only covers trust/estate filers. Given the low number of trust/estate filers for the form, we expected that any impact on small trusts/estates would be minimal.

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

If the IRS did not collect this information, the IRS would not be able to monitor and validate claims for the new energy efficient home credit for homes, which will allow qualified contractors to claim a credit for each qualified energy-efficient home sold.

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**

Due to the extraordinary circumstances and statutory deadlines for implementing the Section 13304 of the Inflation Reduction Act of 2022, the Treasury and IRS request emergency processing of this information collection request by December 28th. Given the inability to seek public comment during such a short timeframe, IRS also respectfully requests a waiver from the requirement to publish a 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.

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**

No personally identifiable information (PII) is collected.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

The burden estimate is as follows:

Authority	Description	# of Respondents	#Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §45L	Form 8908	1,980	1	1,980	2.59	5,128
Totals						5,128

The burden estimates for 1545-1979 is only for the trust and estate filers. Burden estimates for individuals are in 1545-0074, and are in 1545-0123 for businesses.

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

To ensure more accuracy and consistency across its information collections, the IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, the 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 8908	48,291	0	48,291
Form Instructions	4,390	0	4,390
<b>Grand Total</b>	<b>52,681</b>	<b>0</b>	<b>52,681</b>
Table costs are based on 2022 actuals obtained from IRS Chief Financial Office and Media and Publications			
* New product costs will be included in the next collection update.			

**15. REASONS FOR CHANGE IN BURDEN**

Since the previous OMB approval, the form has been revised to add new lines related to the extension of the credit through 2032. The form revisions include adding lines 3a, 3b, 4a, and 4b to reflect increased credit amounts; and adding lines 5a, 5b, 6a, and 6b to reflect new credit amounts. These changes have not impacted the time per response for the form.

There have been burden changes related to an update to remove the individual and business filers from 1545-1979. This has decreased the burden by 507,692 hours.

**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 return information are confidential, as required by 26 U.S.C. 6103.