

**Supporting Statement  
Internal Revenue Service  
(Form 3800)  
OMB # 1545-0895**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 38 of the Internal Revenue Code (IRC) permits taxpayers to reduce their income tax liability by the general business credit. The general business credit consists of the work opportunity credit, alcohol used as fuel credit, research credit, employer credit for paid family and medical leave, disabled access credit, the renewable electricity refined coal and Indian coal production credit, empowerment zones credit, Indian employment credit, new markets credit, energy efficient home credit, employer credit for social security and Medicare taxes paid on certain employee tips, small employer pension plan startup costs and auto-enrollment credit, employer-provided child care credit, railroad track maintenance credit, biodiesel and renewable fuels credit, distilled spirits credit, employee retention credit, clean hydrogen credit, sustainable aviation fuel mixture credit, advanced manufacturing production credit.

The Health Care and Education Reconciliation Act, Public Law 103-66; section 13311 of the Act describes the credit for contributions to certain community development corporations; the current year business credit shall include the credit determined under this section. The Health Care and Education Reconciliation Act, Public Law 109-432; section 105 describes the work opportunity tax credit and welfare to work credit, this section shall apply to individuals who begin work for the employer after December 3, 2005. The Health Care and Education Reconciliation Act, Public Law 110-289; section 3022 of the Act addresses the repeal of alternative minimum tax limitations on tax-exempt housing bonds, low-income housing tax credit, and rehabilitation cost. The Health Care and Education Reconciliation Act, Public Law 110-343; several sections of the Act impact this collection: section 202 describes the credits for biodiesel and renewable diesel, section 301 extends and modifies the research credit, section 304 addresses the new energy efficient home credit, 314 the Indian employment credit, and 702 denotes the temporary tax relief for areas damaged by severe storms, tornados, and flooding. The Health Care and Education Reconciliation Act, Public Law 111-5 section 1201(b) gives guidance regarding the failure to maintain effort, if a State is unable to maintain the level of effort, the State will be prohibited from receiving additional limitation pursuant to the distribution of the limitations. The Health Care and Education Reconciliation Act, Public Law 111-240 section 2012 describes the general business credits of eligible small businesses for 2010 carried back 5 years. The Health Care and Education Reconciliation Act, Public Law 111-147 section 102 references the business credit for retention of certain newly hired individuals. The Health Care and Education Reconciliation Act, Public Law 111-148 section 1421 relays the credit for employee health insurance expenses of small businesses.

Section 39 of the IRC, in general, provides that if the sum of the business credit carry forwards to the taxable year plus the amount of the current year business credit for the taxable year exceeds the amount of the limitation imposed by subsection (c) of section 38

for such taxable year, such excess (to the extent attributable to the amount of the current year business credit) shall be carried back to the taxable year preceding the unused credit year, and carryforward to each of the 20 taxable years following the unused credit year.

**2. USE OF DATA**

Form 3800 provides the IRS with the information necessary to verify that the correct credit has been claimed.

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

Electronic filing for Form 3800 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**

There is no burden on small businesses or other small entities due to the inapplicability of the authorizing statute to this type of entity. The programs are voluntary.

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

Consequences of less frequent collection on federal programs or policy activities could result in the verifying of an incorrect credit.

**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 response to the Federal Register notice (88 FR 12437), dated February 27, 2023, we received no comments during the comment period regarding Form 3800.

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

No payment or gift has been 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 Internal Revenue Service PIAs 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

Form 3800 was created to enable taxpayers to claim any of the general business credits. The burden estimates for 1545-0895 is only for the trust and estate filers. Burden estimates for individuals are in 1545-0074, tax-exempt organizations are in 1545-0047, and are in 1545-0123 for businesses.

We estimate that there will be 65,000 filers per year, it is estimated that it will take an average of 33.38 hours to gather the information and complete each statement. Therefore, the total recordkeeping/reporting burden is 2,169,700.

The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC § 38 and 39	Form 3800	65,000	1	65,000	33.38	2,169,700
Totals		65,000				2,169,700

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## 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

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>	<u>Printing and Distribution</u>	<u>Government Cost Estimate per Product</u>
Form 3800	110,589	0	110,589
Form Instructions 3800	22,903	0	22,903
<b>Grand Total</b>	<b>113,492</b>	<b>0</b>	<b>113,492</b>
Table costs are based on 2021 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

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

There are revisions to the form that have not changed the burden estimates. These revisions include formatting changes to the form and clarifications about the associated forms that rollup amounts into Form 3800.

#### 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 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.