Justification for Nonmaterial/Nonsubstantive Change

On August 16, 2022, President Biden signed the Inflation Reduction Act (IRA) into law. The Department created this ICR in coordination with the U.S. Department of Treasury as they issued guidance triggering the availability of enhanced tax provisions for certain energy projects in which prevailing wages (as most recently determined by the Secretary of Labor in accordance with the Davis-Bacon Act) are paid and registered apprentices are employed. Taxpayers will generally be able to find the applicable prevailing wage rates for the various classifications of laborers and mechanics for the construction of their facility in wage determinations published on [www.sam.gov](https://sam.gov/content/wage-determinations). However, if no applicable wage determination is available on [www.sam.gov](http://www.sam.gov), or if the wage determination that applies to the taxpayer’s project does not include wage rates for all of the labor classifications that will be needed for the construction, alteration, or repair of the facility, the guidance specifies a process by which a taxpayer may request a wage determination or wage rate from the Wage and Hour Division (WHD). This type of information is already collected from a different universe of contractors, those covered by the Davis-Bacon Act (DBA) or Davis-Bacon Related Acts (DBRA) under existing ICR 1235-0023.

The U.S. Department of the Treasury and IRS published a final rule, Increased Amounts of Credit or Deduction for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements, on June 25, 2024 (89 FR 53184). The final regulations do not differ greatly from the proposed rules. However, for the purposes of the instructions to members of the public seeking wage determinations not otherwise available, the final rule adds 1.45-7 (b)(3)(ii)(D)(5), the date the taxpayer (or the taxpayer’s designee, assignee, or agent) expects to enter into a contract with a contractor for which a supplemental wage determination is needed or the date of execution of the contract with a contractor for which a prevailing wage rate for an additional classification is needed.

While this is a change from the proposed rule, it is not a change from what the Wage and Hour Division normally collects in issuing conformances in a separate PRA collection approved by OMB under OMB control number 1235-0023. However, to maintain technical accuracy, the Department will replace the instructions currently on the Department’s website to reflect the date of the contract.