

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0099

Administrative Remedies – Closing Agreements

A. Justification

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection?

Section 7121 of 26 U.S.C. authorizes TTB to prescribe regulations for entering into an agreement in writing with any person relating to any tax liability of such person imposed under 26 U.S.C. which is enforced and administered by the Bureau. The regulations pertaining to Closing Agreements are found at 27 CFR 70.485. Closing agreements may relate to the total tax liability of the taxpayer or to one or more separate items affecting the tax liability. Such agreements may be executed even though the taxpayer is not liable for any tax for the period or periods which the agreement relates. Additionally, there may be a series of agreements relating to a tax liability for a single period.

Once an agreement is approved by TTB it is considered final and conclusive, unless it is shown that the taxpayer exhibited fraud or malfeasance, or misrepresentation of a material fact. Once an agreement has been closed, it will not be reopened. Any assessment, collection, payment, abatement, refund, or credit made in accordance with the agreement, shall not be annulled, modified, set aside, or disregarded. However, any taxable period ending subsequent to the date of the agreement is subject to any change in, or modification of, the law enacted subsequent to the date of the agreement.

2. How, by whom and for what purpose is this information used?

This request for a closing written agreement is prepared by the taxpayer and is used by TTB to finalize certain tax matters.

3. To what extent does this collection of information involve the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology? What consideration is given to use information technology to reduce burden?

TTB will approve on a case-by-case basis, the use of improved information technology for the submission of this information collection.

4. What efforts are used to identify duplication? Why can't any similar Information already available be used or modified for use for the purposes described in Item 2 above?

The request for a closing agreement is pertinent to the taxpayer or claimant only. Taxpayers or claimants provide this supporting documentation to substantiate the agreement. As far as we can determine, similar information is not available any where else.

5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?

The regulations do not specifically prescribe what the request for a closing agreement must contain. The minimum necessary is that which allows TTB to determine if TTB should enter into the agreement. The standards can not be reduced on the basis of the size of respondent.

6. What consequences to Federal program or policy activities and what, if any, technical or legal obstacles to reducing burden will occur if this collection is not conducted or is conducted less frequently?

Without this collection of information, TTB would be unable to resolve certain tax liabilities. The burden for this information collection is one hour. Any less frequent collection of this information could pose jeopardy to the revenue.

7. Are there any special circumstances associated with this information collection?

There are no special circumstances associated with this information collection.

8. What effort was made to notify the general public about this collection of information?

A 60-day Federal Register notice was published for this information collection on Friday, April 25, 2008, 73 FR 22462. The notice solicited comments from the general public. TTB received no comments.

9. What decision was made to provide any payment or gift to respondents, other than reenumeration of contractors or grantees?

No payment or gift is associated with this collection.

10. What assurance of confidentiality was provided to respondents and what was the basis for the assurance in statute, regulations, or agency policy?

The confidentiality of the information prepared in this supporting documentation to substantiate tax returns and claims is protected by 5 U.S.C. 6103.

11. What justification is there for questions of a sensitive nature?

No questions of a sensitive nature are asked.

12. What is the estimated hour burden of this collection of information?

Completion of this regulatory requirement should take each respondent approximately one hour. It is estimated that not more than 1 person per annum will submit a request for a closing agreement.

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?

There is no cost associated with this collection.

14. What is the annualized cost to the Federal Government?

There is no cost to the Federal Government.

15. What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?

There are no program changes or adjustments associated with this information collection.

16. Outline plans for tabulation and publication for collections of information whose results will be published.

The results of this collection of information will not be published.

17. If seeking approval to not display the expiration date for OMB approval of this information collection, what are the reasons that the display would be inappropriate?

TTB will display the expiration date of OMB approval for this collection.

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.