

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Request

OMB Control Number – 1513-0095

TTB F 5300.28 - APPLICATION FOR REGISTRATION FOR TAX-FREE  
TRANSACTIONS UNDER 26 U.S.C. 4221

**A. Justification**

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection? Also include the following: Align the information collection to Treasury's Strategic Goals, Line of Business/Sub-function, and IT Investment, if one is used.

A Federal excise tax is imposed by 26 U.S.C. 4181 on the sale of pistols and revolvers, other firearms, shells and cartridges (ammunition) sold by firearms manufacturers, producers, and importers. Under 26 U.S.C. 4221 no tax is imposed on certain sales of firearms and ammunition. With certain exceptions, section 4222 provides that tax is not imposed on these sales only if the seller and purchaser of the articles are registered. Section 4222 provides further that the Secretary may prescribe by regulations the manner, forms, terms, and conditions of registration. 27 CFR 53.140 prescribes the use of TTB F 5300.28 as the application to obtain an approved Certificate of Registry to sell or purchase firearms and ammunition tax-free. Additional regulations regarding the registration are contained in 27 CFR 53.141 and 53.142.

This information collection is aligned with:

Treasury Strategic Goal: US & World Economies Perform at Full Performance  
Potential.

Line of Business/Sub-function: Law Enforcement/Substance Control.

IT Investment: Tax Major Application Systems.

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

TTB uses the information requested on TTB F 5300.28 to determine if applicants should be granted the privilege of purchasing or selling firearms and ammunition tax-free.



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 F 5300.28 eliminates the burden on an applicant to file information previously filed with TTB. An applicant can reference the information contained in another Certificate of Registry application, Federal firearms license application, or any other approved application filed with TTB. A TTB office can access the applicant's information in the referenced application through existing automated databases, electronic transmission from another TTB office, or existing files within the TTB office. We are developing a Permits on Line (PONL) system from which forms will be submitted electronically. This form will be added during Phase II of the development of PONL.

TTB will continue to examine areas where the use of improved information technology can decrease the collection requirement on taxpayers. We have approved and will continue to approve, on a case-by-case basis, the use of improved information technology for the maintenance of required records.

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 form contains information collected that is pertinent to each respondent and applicable to the specific issue of filing an application for registration. As far as we can determine, similar information is not available elsewhere.

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

Applicants normally file only once to obtain a Certificate of Registry. It is not practical to reduce this requirement.

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?

The requirement to register in order to conduct these sales tax-free is statutory. If this information were not collected, TTB would not have the necessary facts on which to

base its decisions to grant Certificates of Registry, and could not comply with the statute.

7. Are there any special circumstances associated with this information collection that would require it to be conducted in a manner inconsistent with OMB guidelines ?

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? Summarize the public comments that were received and describe the action taken by the agency in response to those comments.

A 60-day notice was published in the Federal Register (75 FR 39733) on Monday, July 12, 2010. The notice solicited comments from the general public. TTB received no comments in response to this notice.

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

No decision of 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?

No specific assurance of confidentiality is provided on TTB F 5300.28. Respondents' confidentiality is protected by 26 U.S.C. 6103 and 5 U.S.C. 552a.

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?

We expect that applicants will file this form once. We estimate this form requires 3 hours to complete.

Number of Manufacturers and Responses	317
Hours per response	<u>x 3</u>
Total annual hours	951

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information (excluding the value of the burden hours in Question 12 above?)

No cost is associated with this collection.

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

Estimates of annual cost to the Federal Government are as follows:

Printing	\$ 500
Distribution	1,000
Clerical costs	750
Other Salary (review supervisory, etc.)	<u>2,000</u>
Total	\$ 4,250

15. What is the reason for any program changes or adjustments?

There are no program changes or adjustments associated with this.

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?

We 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. Collection of Information Employing Statistical Methods**

This collection of information does not use statistical methods.