

SUPPORTING STATEMENT

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 4681 of the Internal Revenue Code imposes a tax on the sale or use of ozone-depleting chemicals (ODCs) by the manufacturer or importer thereof and section 4682 provides special rules relating to certain ODCs.

Section 4682(g) of the Code was amended by the Energy Policy Act of 1992, effective as of January 1, 1993. New section 4682(g)(4) of the Code provides a reduced rate of tax in years after 1992 for ODCs used as propellants in metered-dose inhalers. Section 4682(g)(4) also provides a reduced rate of tax in 1993 for ODCs used as medical sterilants.

Section 52.4682-2(b)(3) and (4) of the regulations requires taxpayers to obtain and retain a certificate signed by the purchaser to document the character of certain sales or uses of ODCs.

Section 52.4682-2(d)(4) and (5) of the regulations sets forth the form of the certificates. Purchasers must provide a certificate to their seller and must retain records relating to the certificates.

Section 4682(d)(3) of the Code provides for tax-free sales of ODCs for export, or for resale by the purchaser to a second purchaser for export. In addition, section 4682(d)(3) provides that the taxpayer may claim a credit or refund of tax if tax-paid chemicals are exported.

Section 52.4682-5(d)(1)(i) of the regulations requires manufacturers, importers, and purchasers for export or for resale for export to register with the Service. Manufacturers, importers, and purchasers for resale must also obtain and retain a certificate signed by the purchaser to document that the purchaser is registered and is purchasing for export. In addition, the purchaser for export must obtain and retain documents relating to proof of export of the ODCs.

Section 52.4682-5(d)(3) of the regulations sets forth the form of the certificate. Purchasers must provide a

certificate to their seller and must retain records relating to the certificates.

Section 52.4682-5(d)(4) of the regulations requires purchasers for export to obtain documents relating to proof of export.

Section 52.4682-5(f)(3) of the regulations requires manufacturers and importers of ODCs to obtain the documents required under § 52.4682-5(d)(4) and to either repay or agree to repay the amount of the tax to the person that exported the ODC or to obtain the written consent of the exporter to the allowance of a credit or the making of a refund.

2. USE OF DATA

The data is used by the Internal Revenue Service and taxpayers to verify that the proper amount of tax is reported.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans to offer electronic filing. IRS publication, regulations, notices and letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

We have been unable to reduce burden specifically for small businesses.

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

Not applicable.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

Not applicable.

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

The notice of proposed rulemaking was published in the Federal Register on January 15, 1993 (58 FR 4625). No public hearing was held. The final regulation (TD 8622) was published in the Federal Register on October 11, 1995 (60 FR 52848)

In response to the Federal Register Notice dated September 1, 2010, (75 F. R. 53739), we received no comments during the comment period regarding PS-89-91.

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

Not applicable.

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

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 52.4682-2(b)(3) of the regulations requires manufacturers of ODCs to obtain and retain certificates provided by purchasers of chemicals for use as medical sterilants. We estimate that 16 manufacturers will obtain and retain the certificates and it will take them 0.1 hour to retain the records. The total burden for this recordkeeping requirement is 2 hours.

Section 52.4682-2(b)(4) of the regulations requires manufacturers of ODCs to obtain and retain certificates provided by purchasers of chemicals for use as propellants in metered-dose inhalers. We estimate that 16 manufacturers will obtain and retain the certificates and it will take them 0.1 hour to retain the records. The total burden for

this recordkeeping requirement is 2 hours.

Section 52.4682-2(d)(4) and (5) of the regulations requires certain purchasers of ODCs to provide a certificate to the manufacturer of the chemical and to retain records relating to these sales. We estimate that 100 persons will fill out these certificates and it will take them 0.1 hour to complete the certificate and 0.1 hour to retain the records. The total burden for this requirement is 10 hours for reporting and 10 hours for recordkeeping.

Section 52.4682-5(d)(1)(i) of the regulations requires manufacturers, importers, and purchasers for export or for resale for export to register with the Service. Manufacturers, importers, and purchasers for resale must also obtain and retain a certificate signed by the purchaser to document that the purchaser is registered and is purchasing for export. In addition, the purchaser for export must obtain and retain documents relating to proof of export of the ODCs. We estimate that 500 persons will register. The burden for this reporting requirement is reflected on Form 637. We estimate that 250 manufacturers, importers, and purchasers for resale will obtain and retain the certificates and it will take them 0.1 hour to retain the records. In addition, we estimate that 250 purchasers for export will retain the records relating to proof of export and it will take them 0.1 hour to retain the records. The total burden for this requirement is 50 hours for recordkeeping.

Section 52.4682-5(d)(3) of the regulations requires certain purchasers for export to provide a certificate to the manufacturer of the ODC and to retain records relating to these sales. We estimate that 500 persons will fill out these certificates and it will take them 0.1 hour to complete the certificate and 0.1 hour to retain the records. The total burden for this requirement is 50 hours for reporting and 50 hours for recordkeeping.

Section 52.4682-5(d)(4) of the regulations requires purchasers for export to obtain documents relating to proof of export. We estimate that 250 persons will obtain and retain the documents and it will take them 0.1 hour to retain the records. The total burden for this recordkeeping requirement is 25 hours.

Section 52.4682-5(f)(3) of the regulations requires

manufacturers and importers of ODCs to obtain the documents required under § 52.4682-5(d)(4) and to either repay or agree to repay the amount of the tax to the person that exported the ODC or to obtain the written consent of the exporter to the allowance of a credit or the making of a refund. We estimate that 16 manufacturers will obtain and retain the consents and it will take them 0.1 hour to retain the records. The total burden for this recordkeeping requirement is 2 hours.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated September 1, 2010, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Not applicable.

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.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

We believe 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 Service 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 ON OMB FORM 83-I

Not applicable.

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.