

SUPPORTING STATEMENT

1545-1733

Form 720-CS, Form 720-TO, and Form 8809-EX

Carrier Summary Report, Terminal Operator Report, and Request for Extension of Time to File an ExSTARS Information Return

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 4101(d)(1) of the Internal Revenue Code allows the secretary to require information reporting of persons registered under section 4101(a) and other persons as necessary. Regulation 48.4101-2 requires monthly information reporting on forms as required by the Commissioner.

Representatives of the motor fuel industry, state governments, and the Federal government are working to ensure compliance with excise taxes on motor fuels. This joint effort has resulted in a system to track the movement of all products to and from terminals. Forms 720-CS is an information return that will be used by carriers to report their monthly deliveries and receipts of products to and from terminals. Forms 720-TO is an information return that will be used by terminal operators to report their monthly receipts and disbursements of products. These monthly returns are filed using Excise Summary Terminal Activity Reporting System (ExSTARS) information reporting.

Form 8809-EX is used to request a 30 day extension of time to file an ExSTARS information report (Form 720-TO, Terminal Operator Report, or Form 720-CS, Carrier Summary Report).

2. USE OF DATA

The information provided on the information returns will be used to determine potential areas of noncompliance on Form 720. The data collected from 8809-EX will be used to allow or deny an extension of 30 days.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing may be used instead of paper reporting for forms 720-CR and 720-TO. We estimate that 90% of these filings will be electronic. We intend to offer electronic filing for Form 8809-EX in the future.

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**

Form 8809-EX will standardize the extension request process and eliminate any confusion on the required extension request process. ExSTARS Coordinator monitors all extension submissions and is responsible for ExSTARS filing compliance.

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

Consequences of less frequent collection on federal programs or policy activities could consist of a decrease in the amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

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 our **Federal Register** notice dated September 16, 2016 (81 FR 66134), we received no comments during the comment period.

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

No payment or gift was provided to any respondents.

10. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 U.S.C. 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 Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>

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**

<u>Number of Responses</u>	<u>Time Per Response</u>	<u>Annual Burden Hours</u>
Form 720-CS		
5,700	7.33	41,781
Schedule A		
17,100	4.13	70.623
Schedule B		
<u>17,100</u>	<u>4.13</u>	<u>70.623</u>
<u>Total</u>		
39,900		183,027

<u>Number of Responses</u>	<u>Time Per Response</u>	<u>Annual Burden Hours</u>
Form 720-TO		
18,000	12.44	223,920
Schedule A		
126,000	3.65	449,900
Schedule B		
<u>360,000</u>	<u>4.62</u>	<u>1,663,200</u>
<u>Total</u>		
504,000		2,347,020

<u>Number of Responses</u>	<u>Time Per Response</u>	<u>Annual Burden Hours</u>
8809 EX		
<u>480</u>	.70	<u>336</u>
<u>Total</u>		

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**

There is no estimated cost burden to respondents.

14. **ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The primary cost to the government consists of the cost of printing Forms 720-CS, 720-TO, and 8809-EX. We estimate that the cost of printing the form 720-CS is \$835 and \$835 for form 720-TO. We estimate the annual cost for Form 8809-EX is \$250.

15. **REASONS FOR CHANGE IN BURDEN**

We are submitting this Information Collection Request as a change in order to combine collections to reduce redundancy and to add new Form 8809-EX, Request for Extension of Time To File an ExSTARS Information Return. Burden estimates under 1545-1734 have been added to this ICR (504,000 responses and 2,347,020 annual burden hours). Once approved, 1545-1734 will be discontinued.

There was an additional increase of 336 hours in the overall annual burden hour estimate with the addition of Form 8809-EX. Form 8809-EX will be used to request a 30-day extension of time to file an Excise Summary Terminal Activity Reporting System (ExSTARS) information report (Form 720-TO, Terminal Operator Report, or Form 720-CS, Carrier Summary Report).

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**

See below

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.

OMB EXPIRATION DATE

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplied owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.