

SUPPORTING STATEMENT

Form 637, Application for Registration (For Certain Excise Tax Activities) and Questionnaires
OMB No. 1545-1835

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 637 is used to apply for registration for certain excise tax activities. Internal Revenue Code sections 4222, 4662 and 4682 impose a manufacturers or retailers excise tax on the sale of certain taxable articles. Some of the manufacturers, producers, importers, and purchasers selling or buying taxable articles are exempt from the tax if both the buyer and the seller are registered with the IRS. Also, Internal Revenue Code section 4101 requires a person who buys or sells any fuel subject to tax under Code section 4041, 4081 and 4091 to register with the IRS before incurring any tax liability.

Under sections 4222 and 4101 each person that engages in certain specified activities relating to excise tax must be registered by the IRS before engaging in that activity. In other cases, a person is required to be registered by the IRS in order to receive an excise tax benefit, such as, the right to sell or buy an article tax free or to file a claim. Depending on the activity applied for, persons must meet certain registration tests in order to receive and retain an approved registration number. The registration process allows the IRS to determine if an application will be approved; it may include an inspection of the person's business premises. Registration allows the IRS to monitor and identify taxpayers engaged in certain activities or making certain transactions.

Form 637, Application for Registration (For Certain Excise Tax Activities) is used to apply for excise tax registration for activities under sections 4101, 4222, and 4682. Common activities for which persons are registered include that of a refiner, terminal operator, position holder, throughputter, ultimate vendor, first retail seller of certain heavy vehicles, manufacturer of sport fishing equipment, and to file a claim.

Form 637 Questionnaires will be used to collect information about persons who are attempting to register or are registered with the Internal Revenue Service (IRS) in accordance with Internal Revenue Code (IRC) § 4101, 4222, or Notice 2005-04. The information will be used to make an informed decision on whether the applicant/registrant qualifies for registration.

The standards and procedures relating to approving, denying, revoking and monitoring registrations that are applied for on [Form 637](#), Application for Registration (for Certain Excise Tax Activities) in regulations prescribe that each person who engages in certain specified activities relating to excise tax must be registered by the IRS before engaging in the activities. In other cases, a person is required to be registered by the IRS in order to receive an excise tax benefit.

The [Form 637](#) lists activities for which registration is required or allowed. Each activity is identified by a designated capital letter or letters. Thus, for example, the activity of being the first retail seller of certain heavy vehicles is activity letter "Q" and the person that has been registered for this activity is often referred to as a "Q registrant."

EXAMPLE: A "Q" registrant is typically a heavy truck dealer who sells trucks with a gross vehicle weight (GVW) above 32,000 lbs., or a heavy trailer dealer who sells trailers with a GVW above 26,000 lbs. There is a 12% federal excise tax (FET) on these sales. However, sales of heavy truck/trailers to qualified exempt entities (i.e. State/local governments) can be made without the FET if the truck or trailer dealer has a "Q" registration. The IRS performs initial reviews on these dealers. Part of the review process is to secure information listed on the questionnaires, so the Excise Agent can determine if the truck/trailer dealer qualifies for a "Q" registration, and to obtain other information about the dealer the secretary deems necessary.

Subsequent reviews are performed on these registrants to ensure the dealers still qualify for the "Q" registration and that the exempt sales were handled correctly. The "Q" Questionnaire will be utilized in the subsequent review to obtain the information needed in the initial review, as is can and does change since the initial review was performed.

All the questionnaires will be used for similar purposes. Below is an explanation of who will complete each questionnaire.

Questionnaire	Type of Respondent
"A"	Will be completed by manufacturer's of gas guzzler automobiles, sport fishing equipment, bows, arrow components, tires, or vaccines.
"B"	Will be completed by Buyer's of sport fishing equipment, gas guzzler automobiles, bows, arrow components, or vaccines for further manufacture or for resale to a buyer for further manufacture.
"C"	Will be completed by buyer's of tires for use on or in connection with the sale of another article the buyer manufactures and sells (1) for export, (2) to state and local governments, (3) to nonprofit educational organizations, or (4) as supplies for vessels or aircraft.
"D"	Will be completed by buyer's with a place of business in the United States purchasing vaccines, gas guzzler automobiles, tires, sport fishing equipment, bows, arrow components, or luxury passenger vehicles for export or for resale to a second purchaser for export.
"E"	Will be completed by buyer's (other than state or local government) of gas guzzler automobiles for ambulance, law enforcement, or firefighting.
"F"	Will be completed by Nonprofit educational organization, other than a public school, buying tires, certain heavy vehicles, sport fishing equipment, bows, or arrow components for its exclusive use.

Questionnaire	Type of Respondent
“H”	Will be completed by Importer’s or producer’s (including wholesale distributor’s)of aviation fuel(other than gasoline).
“I”	Will be completed by buyer’s(other than nonprofit educational organization or state or local government) of tires for use on certain intercity, local, or school buses.
“J”	Will be completed by first retail sellers of luxury passenger vehicles for export.
“K”	Will be completed by Buyer’s of kerosene for a feedstock purpose.
“M”	Will be completed by blenders of gasoline, diesel fuel, or kerosene outside the bulk transfer/terminal system.
“Q”	Will be completed by first retail seller’s of certain heavy vehicles.
“R”	Will be completed by operator’s (other than state or local government) of diesel-powered intercity or local buses.
“S”	Will be completed by importers/ enterer’s, position holder’s, refiner’s, terminal operator’s, exporter’s, or throughputter’s of gasoline, diesel fuel, or kerosene; or industrial users of gasoline.
“T”	Will be completed by buyer’s of gasoline for blending into gasohol outside the bulk transfer/terminal system.
“UP”	Will be completed by ultimate vendor’s that sells kerosene from a blocked pump.
“UV”	Will be completed by ultimate vendor’s that sells undyed diesel fuel or undyed kerosene to a state or local government for its exclusive use or for use by the buyer on a farm for farming purposes.
“V”	Will be completed by manufacturer’s, importer’s, or buyer’s of ozone-depleting chemicals (ODC’s)for export.
“W”	Will be completed by Operator’s (other than state or local government) of a diesel-powered train.
“X”	Will be completed by pipeline operators or vessel operators within the bulk transfer/terminal system.
“Y”	Will be completed by buyers of aviation fuel for its use in commercial aviation (other than foreign trade).

2. USE OF DATA

The registration process allows the IRS to determine if those standards are met. These standards vary according to the activity involved. The registration process allows the IRS to monitor and identify taxpayers engaged in certain activities or making certain transactions. The IRS uses the data from the Form 627 to determine if the loss deduction is proper. The information obtained throughout the 637 Registration Program will be used (along with other factors) to determine if the person should be registered or should retain their registration under these IRC 4101 or 4222.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing for Form 637 because of the low volume compared to the cost of electronic enabling. However, the 637 Registration Program offers electronic verification of the registration status.

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

Not applicable.

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

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 637 and the 637 questionnaires.

In response to the Federal Register notice dated February 10, 2014, (79 FR 7742), we received no comments during the comment period regarding Form 637 or the Questionnaires.

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

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Excise Files Information Retrieval (ExFIRS)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 34.037-IRS Audit Trail and Security Records System; IRS 42.002-Excise Compliance Programs; IRS 22.060-Automated Non Master File (ANMF); IRS 24.046- Customer Account Data Engine (CADE) Business Master File (BMF); IRS 42.008--Audit Information Management System (AIMS). 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

List the number of responses, time per response, and total burden for each form included in the submission.

The burden estimate is as follows:

Form	Number of Responses	Time per Response	Total Hours
Form 637	2,000	13 hr. 31 min.	27,020
“A” Questionnaire	120	45 min.	90
“B” Questionnaire	120	45 min.	90
“C” Questionnaire	120	55 min.	110
“D” Questionnaire	120	40 min.	80
“E” Questionnaire	120	30 min.	60
“F” Questionnaire	50	50 min.	42
“H” Questionnaire	120	1 hr. 40 min.	200
“I” Questionnaire	50	45 min.	38
“J” Questionnaire	120	40 min.	80
“K” Questionnaire	120	45 min.	90
“M” Questionnaire	120	1 hr. 10 min	140
“Q” Questionnaire	120	1 hr. 20 min.	160
“R” Questionnaire	120	1 hr. 10 min.	140
“S” Questionnaire			

For Refiners	120	1 hr. 55 min.	230
For Importers/Enterers	120	1 hr. 45 min.	210
For Terminal Operators	120	2 hr.	240
For Industrial Users	120	1 hr. 45 min.	210
For Throughputters/ Position Holders	120	1 hr. 50 min.	220
For Exporters	120	1 hr. 50 min.	220
“T” Questionnaire	120	1 hr. 45 min.	210
“UP” Questionnaire	50	55 min.	46
“UV” Questionnaire	50	1 hr. 15 min.	63
“V” Questionnaire	120	1 hr. 5 min.	130
“W” Questionnaire	120	55 min.	110
“X” Questionnaire	120	55 min.	110
“Y” Questionnaire	120	1 hr. 20 min.	160
TOTAL	4,840		30,499

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

The following are related regulations which impose no additional burden. Please continue to assign OMB number 1545-1835 to these regulations.

48.4101-1
48.4222(a)-1
52.4682-5

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated February 10, 2014 (79 FR 7742), 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

The primary cost to the government consists of the cost of printing all questionnaires in this submission. We estimate that the cost of printing all questionnaires is \$500.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. However, we are combining the burden associated with the form and the 637 Registration Program

under a single OMB approval number. OMB control number 1545-0014 will be discontinued once this request is cleared. 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

See attached.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

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.