

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0097

Information Collection Request Title:

Notices Relating to Payment of Firearms and Ammunition Excise Tax by Electronic Fund Transfer.

A. Justification

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

The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers chapter 51 (distilled spirits, wine, and beer), chapter 52 (tobacco products, processed tobacco, and cigarette papers and tubes), and sections 4181-4182 (firearms and ammunition excise taxes) of the Internal Revenue Code of 1986, as amended, (IRC, 26 U.S.C.) pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). In addition, the Secretary of the Treasury has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

Under the IRC, firearms and ammunition manufacturers, producers, and importers are liable for the excise taxes imposed by 26 U.S.C. 4181 and 4218 on, respectively, their sale or use of firearms and ammunition. Under the authority of the IRC at 26 U.S.C. 6302, TTB collects the firearms and ammunition excise tax (FAET) on the basis of a return that taxpayers file quarterly on TTB F 5300.26 (approved separately under OMB control number 1513-0094). That IRC section also authorizes the Secretary to issue regulations concerning the payment of taxes by electronic funds transfer (EFT).

The TTB regulations concerning FAET taxes, including their payment, are codified in 27 CFR Part 53, Manufacturers Excise Taxes—Firearms and Ammunition. As for this information collection, the TTB regulations at 27 CFR 53.158 prescribe a voluntary system where taxpayers may elect to pay these taxes by EFT. As prescribed in that regulation, a taxpayer must notify TTB in writing of their intention to make FAET payments by EFT, and they then must make payments by EFT for a minimum of four consecutive calendar quarters. After those four calendar quarters have passed, a taxpayer may discontinue FAET payments by EFT at any time by attaching a written statement to TTB F 5300.26 to that effect.

This information collection consists of the notices filed with TTB regarding a taxpayer's election to use, or discontinue use of, EFT to remit their FAET payments.

This information collection is aligned with —

- Line of Business/Sub-function: General Government/Taxation Management.
- IT Investment: Tax Major Application Systems.

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

TTB uses the information provided by these notices to anticipate and monitor taxpayer methods of FAET payment and to ensure that these taxes are remitted in the appropriate form, as chosen by the taxpayer.

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 has approved and will continue to approve, on a case by case basis, the use of improved information technology for the collection and maintenance of required information.

4. What efforts are used to identify duplication? Can similar information already available be used or modified for use for the purposes described in Item 2 above?

The notices required under this information collection contain information specific to each respondent's voluntary decision to use, or to discontinue use of, electronic funds transfer to pay FAET. As far as TTB is 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?

The notices regarding FAET payment methods are required only upon a taxpayer's election to use, or discontinue use of, EFT, and these notices are the minimum necessary to ensure compliance with the relevant regulation. Waiver or reduction of this requirement, simply because the respondent's business is small, could jeopardize the revenue since TTB would not be able to anticipate and monitor taxpayer methods of making FAET payments.

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?

If TTB were not able to collect this information, it could not fulfill its statutory obligations to protect the revenue. This information is collected only when necessary to ensure that TTB is able to anticipate and monitor taxpayers' chosen methods of taxpayment. Less frequent collection of this information would jeopardize TTB's ability to protect the revenue.

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.*

To solicit comments from the general public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on January 13, 2016, at 81 FR 1679. TTB received no comments on this information collection in response.

9. *Was any payment or gift given to respondents, other than remuneration of contractors or grantees? If so, why?*

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?*

No specific assurance of confidentiality is provided on for this information collection. However, Federal law at 26 U.S.C. 6103 prohibits disclosure of tax returns and related taxpayer information unless disclosure is specifically authorized by that section. TTB maintains these records in secure file rooms and computer systems with controlled access.

11. *What is the justification for questions of a sensitive nature? If personally identifiable information (PII) is being collected in an electronic system, identify the Privacy Impact Assessment (PIA) that has been conducted for the information collected under this request and/or the Privacy Act System of Records notice (SORN) issued for the electronic system in which the PII is being stored.*

This information collection does not contain any questions of a sensitive nature.

A Privacy Impact Assessment (PIA) has been conducted for information collected under this request as part of the Tax Major Application System, and a Privacy Act System of Records notice (SORN) has been issued for this system under TTB .001-Regulatory Enforcement Record System and published in the Federal Register on January 28, 2015, at 80 FR 4637. TTB's PIAs are available on the TTB website at <http://www.ttb.gov/foia/pia.shtml>.

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

There is no change in the burden estimate for this information collection from the previous submission. TTB estimates that 10 respondents file one notice per year regarding payment of FAET by electronic fund transfer. TTB estimates that each response takes 6 minutes to complete, for a total annual estimated burden of 1 hour.

(10 respondents) X 1 annual response = 10 responses X 6 minutes per response = 60 minutes or 1 hour of total annual burden.)

13. *What is the estimated annual cost burden to respondents or record keepers resulting from this information collection request (excluding the value of the hour burden in Question 12 above)?*

There is no annual cost to respondents associated with this collection.

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

There is no annualized cost to the Federal Government associated with this collection.

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

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

Other changes: We are revising the title of this information collection to more accurately reflect its purpose.

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

TTB will not publish the results of this collection.

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?*

This information collection consists of notices provided to TTB by taxpayers concerning their elected method of remitting FAET payments. There is no prescribed TTB form for this collection, and, as such, there is no medium for TTB to display the OMB approval expiration date.

18. *What are the exceptions to the certification statement?*

- (c) See item 5 above.
- (f) This is not a recordkeeping requirement.
- (i) No statistics are involved.
- (j) See item 3 above.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.