

SUPPORTING STATEMENT
Export Exemption Certificate
Form 1363
OMB Control Number 1545-0685

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

IRC section 4272(b)(2) accepts exported property from the excise tax on transportation of property. Regulation section 49.4271-1(d)(2) authorizes the filing of Form 1363 and is filed with the carrier to suspend the liability for the 6.25% tax on transportation of property by air. A separate Form 1363 can be used in connection with each payment otherwise subject to tax or, with the permission of the Internal Revenue Service.

Form 1363 can also be used as a blanket exemption certificate by a person who expects to make payments for numerous export shipments over an indefinite period of time. If used in connection with a separate payment, the certificate shall be executed, in duplicate, by the shipper or other person making the payment subject to tax. Such person shall retain the duplicate with the shipping papers for at least 3 years from the last day of the month during which the shipment was made from the point of origin, and shall file the original with the carrier at the time of payment of the transportation charge. The carrier receiving the original certificate shall retain it along with the document showing payment of the transportation charge, for a period of at least 3 years from the last day of the month during which the shipment was made from the point of origin.

2. USE OF DATA

The information is used by the IRS to verify shipments of property made tax-free when a carrier's return is examined.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Low filing volume does not justify the cost of electronic enabling for Form 1363.

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

Starting 2009, taxpayers no longer had to consecutively number exemption certificate(s). Rather than use separate forms in connection with each payment, with the permission of the Internal Revenue Service, taxpayers can use one form 1363 as

a blanket exemption certificate. If granted, it will remain in effect until withdrawn. The description of property to be exported can be brief and in the case of a blanket exemption, a general description is also sufficient. These efforts by the agency are to reduce burden on small businesses and entities, as well as the general population.

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

The information is used by the IRS to verify shipments of property made tax-free when a carrier's return is examined. The consequences are that the IRS will have to spend more taxpayer assistance resources to collect this data through other means. This will compromise the Agency's ability to enforce tax compliance. Tax compliance is a vital part of the government's ability to meet its' mission and serve the public.

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

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 1363.

In response to the *Federal Register Notice* (81 FR 67432), dated September 30, 2016, we received no comments during the comment period regarding Form 1363.

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

No payment or gift has been provided to any respondents.

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

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

<u>Form</u>	<u>No. of</u>	<u>Time per</u> <u>Responses</u> <u>Total hours</u>	<u>Response</u>
Form 1363			100,00 0
			4.25
			425,00 0

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0685 to these regulations:

49.4271-1(c) and (d)

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up costs associated with this collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing the form. We estimate the cost of printing the form is \$228.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission for renewal purposes.

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 attachment below (OMB Expiration).

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 supplies 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.