

SUPPORTING STATEMENT

Gasoline Excise Tax and Gasohol; Compressed Natural Gas
OMB Control Number 1545-1270

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Sections 4081 and 4082 of the Internal Revenue Code impose and provide certain rules relating to the federal gasoline excise tax and were amended by the Tax Reform Act of 1986 (Pub. L. 99-514) and the Revenue Reconciliation Act of 1990 (Pub. L. 101-508). Treasury Decision (TD) 8421 implements changes made the Acts and affect refiners, importers, and distributors of gasoline and provide guidance relating to taxable transactions, person liable for tax, gasoline blendstocks, and gasohol.

Treasury Decision 8609 implements changes made by the Energy Policy Act of 1992 (Pub. L. 102-486) and the Omnibus Budget Reconciliation Act of 1993 (Pub. L. 103-66) relating to gasohol blending and tax on compressed natural gas (CNG). Regulations relating to gasohol bending affects certain blenders, enterers, refiners, and throughputters and those relating to CNG affect persons that sell or buy CNG for use as a fuel in a motor vehicle or motorboat.

2. USE OF DATA

The information collection requirements under TD 8421 is used for notification of a person's registration status, and provides support of tax-free sales of gasoline blend stocks and additives, reduced-rate sale of gasoline for gasohol production and certain refund claims.

The information collection requirements under TD 8609 are required to verify compliance with section 4041 and 6427 of the Code and will be used to determine whether an amount of tax, credit or payment has been computed correctly.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, 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**

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**

TD 8421 – Gasoline Excise Tax (PS-120-90)

A notice of proposed rulemaking was published in the Federal Register on August 27, 1991, at 56 FR 42287. A public hearing was held on November 25, 1991. The final regulations were published in the Federal Register on July 22, 1992, at 57 FR 32424, as TD 8421.

TD 8609 – Gasohol; Compressed Natural Gas (PS-66-93)

A notice of proposed rulemaking was published in the Federal Register on October 19, 1994, at 59 FR 52735. A public hearing was held on January 11, 1995. The final regulations were published in the Federal Register on August 7, 1995, as TD 8609.

In response to the Federal Register notice dated September 30, 2016 (81 FR 67434), we received no comments during the comment period regarding TD 8609 (PS-66-93) and TD 8421 (PS-120-90).

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 being collected by the agency.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

TD 8609 (PS-66-93)

Section 48.4041-21(c) provides that compressed natural gas (CNG) may be sold tax free if the seller obtains from the buyer a certificate, in the form described in §48.4041-21(c) (2), that states that the buyer will use the CNG in a nontaxable use. We estimate that there will be 100 buyers of tax-free CNG and that the certificate will take approximately .1 hour to complete. The total burden for this reporting requirement is 10 hours.

Section 48.4081-7(c)(5) provides that a first taxpayer's report is not required to be filed if the first tax and the second tax are incurred by the same person in the same calendar quarter. The final regulations eliminate the exemption in §48.4081-7(c)(5). We estimate that there will be 20 taxpayers preparing this report under these conditions and that the report will take approximately .25 hour to complete. The total burden for this requirement is 5 hours.

TD 8421 (PS-120-90)

Sections 48.4081-2(c)(2) and 48.4081-3(d)(2)(iii) provide that a terminal operator may avoid tax liability if it obtains from the position holder a notification certificate, described in §48.4081-5, that contains the position holder's registration number. We estimate that there will be 500 position holders and that the certificate will take approximately .1 hour to complete. The total burden for this requirement is 50 hours.

Section 48.4081-3(e)(2)(ii) provides that the owner of gasoline may avoid tax liability if it obtains from the terminal operator a notification certificate, described in §48.4081-5, that contains the terminal operator's registration number. We estimate that there will be 200 terminal operators and that the certificate will take approximately .1 hour to complete. The total burden for this requirement is 20 hours.

Section 48.4081-3(f)(3)(ii) provides that the seller of gasoline may avoid tax liability if it obtains from the buyer a notification certificate, described in §48-4081-5, that contains the buyer's registration number. We estimate that there will be 150 buyers and that the certificate will take approximately .1 hour to complete. The total burden of this requirement is 15 hours.

Sections 48.4081-4(b)(2)(ii) and (3)(i) provide that a person may sell gasoline blend stocks and additives tax free for use other than in producing gasoline if the seller obtains from the buyer a certificate, in the form described in §48.4081-4(e), that states that the products will not be used to produce gasoline. We estimate that there will be 1,000 buyers of blend stocks and additives tax free and that the certificate will take approximately .1 hour to complete. The total burden of this requirement is 100 hours.

Section 48.4081-4(c) provides that tax is not imposed on the non-bulk removal or entry of gasoline blend stocks and additives if they are received at an approved terminal or refinery. The person that would otherwise be liable for tax must obtain a notification certificate in the form described in §48.4081-5. We estimate that there will be 100 refiners and terminal operators that will receive these products and that the certificate will take approximately .1 hour to complete. The total burden of this requirement is 10 hours.

Section 48.4081-6(c)(1)(ii) provides that gasoline may be sold at the gasohol production rate if the seller obtains from the gasohol blender a certificate, in the form described in §48.4081-6(c), that states the blender's registration number and that the blender will use the gasoline to produce gasohol. We estimate that there will be 1,200 gasohol blenders and that the certificate will take approximately .1 hour to complete. The total burden of this requirement is 120 hours.

Section 48.4081-7 provides that if the tax on gasoline has been paid to the government twice, the person that paid the second tax may obtain a refund. Sections 48.4081-7(c)(1) and (3) provide for an information report (the first taxpayer's report") to be filed with the tax return for persons that pay the first tax. We estimate that there will be 50 taxpayers preparing this report and that the report will take approximately .25 hours to complete. The total burden of this requirement is 13 hours.

Section 48.4081-7(c)(4) provides that any buyer of gasoline that receives a copy of the first taxpayer's report must give a statement of subsequent seller (described in §48.4081-7(c)(4)(ii)) to its buyer if the gasoline is sold within the bulk transfer/terminal system. We estimate that there will be 50 subsequent sellers and that the statement of subsequent seller will take approximately .25 hours to complete. The total burden for this requirement is 13 hours.

Section 48.4081-7(d)(2) provides the form and content of the refund claim under §48.4081-7 for claimants who did not pay the first tax to the government. We estimate that there will be 40 of these claimants and that the claim form will take .25 hours to complete. The total burden for this requirement is 10 hours.

	FR citation	# Respondents	# Responses per Respondent	Total # Responses	Hours per Response	Total Hours
TD 8609 (PS-66-93)	48.4041-21(c)	100	1	100	0.1	10
	48.4081-7(c)(5)	20	1	20	0.25	5
TD 8421 (PS-120-90)	48.4081-2(c)(2) & 48.4081-3(d)(2)(iii)	500	1	500	0.1	50
	48.4081-3(e)(2)(ii)	200	1	200	0.1	20
	48.4081-3(f)(3)(ii)	150	1	150	0.1	15
	48.4081-4(b)(2)(ii) & (3)(i)	1000	1	1000	0.1	100
	48.4081-4(c)	100	1	100	0.1	10
	48.4081-6(c)(1)(ii)	1200	1	1200	0.1	120
	48.4081-7	50	1	50	0.25	13
	48.4081-7(c)(4)	50	1	50	0.25	13
	48.4081-7(d)(2)	40		40	0.25	10
				3410	0.1073314	366.00

The agency recognizes that there are burden hours that should be classified as third party reporting. At the present time, there is no way to determine how many hours are simply reporting and how many are third party reporting. All reporting burden is reported under general reporting, and not specifically allocated to third party.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no annual start-up costs associated with this collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There are no annual costs to the federal government.

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

There are no plans for tabulation, statistical analysis and publication.

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 regulations sunset 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

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.