

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement -- Information Collection Request**  
**OMB Control Number 1513-0099**

Information Collection Request Title:

Administrative Remedies —Requests for Closing Agreements.

**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.

The IRC, at 26 U.S.C. 7121, authorizes the Secretary of the Treasury to enter into a written agreement with any person relating to the liability of such person (or of the person or estate for whom he or she acts) in respect to any internal revenue tax for any taxable period. That IRC section also states that such agreements, once approved, are final and conclusive, unless it is shown that the taxpayer exhibited fraud or malfeasance, or misrepresented a material fact.

Under its delegated authority, TTB has issued regulations at 27 CFR 70.485 pertaining to such “closing agreements.” Specific to this information collection, the regulation requires a taxpayer or their agent to submit a written request to TTB to enter into a closing agreement to resolve certain Federal excise tax matters. TTB uses the information collected in such a request and any attached supporting documentation to determine whether the Bureau should pursue a closing agreement with the taxpayer. Closing agreements allow TTB and a taxpayer to resolve tax liability matters prior to any adversarial legal or administrative proceedings.

This information collection is aligned with —

- Line of Business/Sub-function: General Government/Taxation Management.
- IT Investment: None.

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

When a person (or a person or estate for whom he or she acts) submits a written request to enter into a closing agreement with TTB to resolve certain Federal excise tax liability matters, TTB personnel use the information submitted in the request and any attached supporting documentation to determine whether the Bureau should pursue such an agreement with the taxpayer. Closing agreements allow TTB and a taxpayer to resolve tax liability matters prior to any adversarial legal or administrative proceedings.

*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. However, TTB does not prescribe a format for written requests to enter into a closing agreement, and, as such, TTB does not believe that this information collection, which is filed in limited numbers on an as-needed basis, is susceptible to the use of automated, electronic, or other technological collection techniques.

*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?*

A written request to enter into a closing agreement is pertinent only to the taxpayer making the request. As far as TTB 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 TTB regulations do not specifically prescribe what information that the request for a closing agreement must contain, and TTB needs only the minimum information necessary to determine if the Bureau should pursue such an agreement with the requesting taxpayer. As such, TTB cannot reduce the information collected based on the size of the respondent's business. In addition, requests for closing agreements are filed only on an as-needed basis by a very limited number of respondents. Therefore, TTB does not believe that this information collection has a substantial impact on a significant number of small entities.

*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?*

Without this collection of information, TTB would be unable to determine if it should pursue closing agreements to mutually resolve excise tax liabilities with taxpayers prior to legal proceedings or other administrative actions. Not collecting this information or collecting it less frequently would require TTB to use more costly and time-consuming legal or other, more punitive administrative actions to resolve such tax liabilities, the unsuccessful resolution of which would pose a jeopardy to 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 September 11, 2017, at 82 FR 42722. 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 for this information collection. However, Federal law at 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals, and 26 U.S.C. 6103 prohibits disclosure of tax returns and tax-related information unless disclosure is specifically authorized by that section. TTB maintains the collected information in secure file rooms 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 contains no questions of a sensitive nature. In addition, this information collection does not collect personally identifiable information (PII) in an electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this collection.

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

Per data provided by TTB's National Revenue Center, five or fewer respondents file one request each for a closing agreement per year. TTB estimates that each such request requires 1 hour to complete, resulting in an estimated annual burden of five hours.

(5 annual respondents x 1 response each = 5 responses x 1 hour per response = 5 total annual burden hours.)

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 are no costs to respondents associated with this information collection.

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

There are no costs to the Federal Government associated with this information collection.

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

There are no program changes associated with this collection. As for adjustments, due to a change in agency estimates, TTB is increasing the annual number of respondents and responses to this information collection from 1 to 5, and the resulting estimated annual burden associated with this collection from 1 hour to 5 hours. This is due to an increase in the estimated number of respondents who will file a written request for a closing agreement with TTB on an annual basis.

In addition, to clarify the subject of this information collection, TTB is revising the collection's title from "Administrative Remedies — Closing Agreements" to "Administrative Remedies — Requests for Closing Agreements."

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?*

There is no prescribed TTB form for this information collection. 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.