

SUPPORTING STATEMENT  
Internal Revenue Service  
OMB Control No. 1545-1759  
Form 720X, Amended Quarterly Federal Excise Tax Return

. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 720X is used to make adjustments to liabilities on Form 720, Quarterly Federal Excise Tax Return, filed for previous quarters. Form 720X cannot be used to make changes on Schedule C (Form 720), except for section 4051(d) tire credit. However, including it on Schedule C of (Form 720) prevented IRS from posting the correct information to the quarter that was changed. Because it was not posted to the correct quarter, interest that the IRS is required to either pay or collect was not determined.

Form 720X can be filed by itself or it can be attached to any subsequent Form 720. Code section 6416(f)-1 allows taxpayers to take a credit on a subsequent return rather than filing a refund claim. Regardless of how it is filed, the changes on Form 720X will be posted to the proper quarter and interest computed.

. USE OF DATA

The information will be used to calculate interest and to process the changes to the proper quarter of Form 720.

. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 720X is not available through electronic filing at this time, because of the low volume compare to the cost of electronic enabling.

. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There is no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL

## PROGRAMS OR POLICY ACTIVITIES

Consequences of less frequent collection on federal programs or policy activities would result in the IRS unable to collect or pay interest made by adjustments to generate a refund or offset the outstanding liability; thereby endangering the ability of the IRS to meet its mission.

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 OF 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 720X.

In response to the *Federal Register* notice (82 FR 57529), dated December 05, 2017, we received comments during the comment period regarding Form 720X.

One commenter suggested that the Service consider §6426(d) of the Code, credits (alternative fuel credits) be fully claimed on Form 720X, Amended Quarterly Federal Excise Tax Return, as opposed to only claiming the alternative fuel credit up to the taxpayer's excise tax liability. Form 720X is often the only option for certain taxpayers who are unable to amend their Form 1120 (and the attached Form 4136, *Credit for Federal Tax Paid on Fuels*), and therefore these taxpayers have been limited in the credit which they can claim on Form 720X.

Also, he stated that Form 720X currently restricts the available alternative fuel credit to be claimed only against a taxpayer's excise tax liability, causing difficulties in taxpayers' ability to collect the entire credit amount in situations where the taxpayer has amended their Form 720 to increase their alternative fuel usage. The commenter proposed update to Form 720X would assist in reducing the burden for taxpayers in filing Form 720X, as well as the Service in processing Form 720X. IRS, noted the alternative fuel credits expired on December 31, 2017, and these credits are no longer available. However, if the credits at issue are reinstated, IRS plan to carefully consider the commenter's suggestions again at that time.

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 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Business Master File (BMF)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File, and IRS 34.037-IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at <http://www.IRS.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

The burden estimate is as follows:

Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Form 720X	5,500	4	22,000	6.93 hrs.	152,460
Totals	5,500		22,000		152,460

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

15. REASONS FOR CHANGE IN BURDEN

There are no changes to the form or burden hours 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

IRS believes 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 and 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.