

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Application for Registration (For Certain Excise Tax Activities) and Questionnaires
Form 637
OMB Control Number 1545-1835

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Form 637 is used to apply for registration for certain excise tax activities. Internal Revenue Code sections 4222, 4662 and 4682 impose a manufacturers or retailers excise tax on the sale of certain taxable articles. Some of the manufacturers, producers, importers, and purchasers selling or buying taxable articles are exempt from the tax if both the buyer and the seller are registered with the IRS. Also, Internal Revenue Code section 4101 requires a person who buys or sells any fuel subject to tax under Code section 4041, 4081 and 4091 to register with the IRS before incurring any tax liability.

Under sections 4222 and 4101 each person that engages in certain specified activities relating to excise tax must be registered by the IRS before engaging in that activity. In other cases, a person is required to be registered by the IRS in order to receive an excise tax benefit, such as, the right to sell or buy an article tax free or to file a claim. Depending on the activity applied for, persons must meet certain registration tests in order to receive and retain an approved registration number. The registration process allows the IRS to determine if an application will be approved; it may include an inspection of the person's business premises. Registration allows the IRS to monitor and identify taxpayers engaged in certain activities or making certain transactions.

Form 637, Application for Registration (For Certain Excise Tax Activities) is used to apply for excise tax registration for activities under sections 4101, 4222, and 4682. Common activities for which persons are registered include that of a refiner, terminal operator, position holder, throughputter, ultimate vendor, first retail seller of certain heavy vehicles, manufacturer of sport fishing equipment, and to file a claim.

Form 637 Questionnaires will be used to collect information about persons who are attempting to register or are registered with the Internal Revenue Service (IRS) in accordance with Internal Revenue Code (IRC) § 4101, 4222, or Notice 2005-04. The information will be used to make an informed decision on whether the applicant/registrant qualifies for registration.

The standards and procedures relating to approving, denying, revoking and monitoring registrations that are applied for on Form 637, Application for Registration (for Certain Excise Tax Activities) in regulations prescribe that each person who engages in certain specified activities relating to excise tax must be registered by the IRS before engaging in the activities. In other cases, a person is required to be registered by the IRS in order to receive an excise tax benefit.

The Form 637 lists activities for which registration is required or allowed. Each activity is identified by a designated capital letter or letters. Thus, for example, the activity of being the first retail seller of certain heavy vehicles is activity letter "Q" and the person that has been registered for this activity is often referred to as a "Q registrant."

EXAMPLE: A "Q" registrant is typically a heavy truck dealer who sells trucks with a gross vehicle weight (GVW) above 32,000 lbs., or a heavy trailer dealer who sells trailers with a GVW above 26,000 lbs. There is a 12% federal excise tax (FET) on these sales. However, sales of heavy truck/trailers to qualified exempt entities (i.e. State/local governments) can be made without the FET if the truck or trailer dealer has a "Q" registration. The IRS performs initial reviews on these dealers. Part of the review process is to secure information listed on the questionnaires, so the Excise Agent can determine if the truck/trailer dealer qualifies for a "Q" registration, and to obtain other information about the dealer the secretary deems necessary.

Subsequent reviews are performed on these registrants to ensure the dealers still qualify for the "Q" registration and that the exempt sales were handled correctly. The "Q" Questionnaire will be utilized in the subsequent review to obtain the information needed in the initial review, as is can and does change since the initial review was performed.

All the questionnaires will be used for similar purposes. Below is an explanation of who will complete each questionnaire.

Questionnaire	Type of Respondent
"A"	Will be completed by manufacturer's of gas guzzler automobiles, sport fishing equipment, bows, arrow components, tires, or vaccines.
"B"	Will be completed by Buyer's of sport fishing equipment, gas guzzler automobiles, bows, arrow components, or vaccines for further manufacture or for resale to a buyer for further manufacture.
"C"	Will be completed by buyer's of tires for use on or in connection with the sale of another article the buyer manufactures and sells (1) for export, (2) to state and local governments, (3) to nonprofit educational organizations, or (4) as supplies for vessels or aircraft.
"D"	Will be completed by buyer's with a place of business in the United States purchasing vaccines, gas guzzler automobiles, tires, sport fishing equipment, bows, arrow components, or luxury passenger vehicles for export or for resale to a second purchaser for export.
"E"	Will be completed by buyer's (other than state or local government) of gas guzzler automobiles for ambulance, law enforcement, or firefighting.
"F"	Will be completed by Nonprofit educational organization, other than a public school, buying tires, certain heavy vehicles, sport fishing equipment, bows, or arrow components for its exclusive use.

Questionnaire	Type of Respondent
"H"	Will be completed by Importer's or producer's (including wholesale distributor's) of aviation fuel (other than gasoline).
"I"	Will be completed by buyer's (other than nonprofit educational organization or state or local government) of tires for use on certain intercity, local, or school buses.
"J"	Will be completed by first retail sellers of luxury passenger vehicles for export.
"K"	Will be completed by Buyer's of kerosene for a feedstock purpose.
"M"	Will be completed by blenders of gasoline, diesel fuel, or kerosene outside the bulk transfer/terminal system.
"Q"	Will be completed by first retail seller's of certain heavy vehicles.
"R"	Will be completed by operator's (other than state or local government) of diesel-powered intercity or local buses.
"S"	Will be completed by importers/ enterer's, position holder's, refiner's, terminal operator's, exporter's, or throughputter's of gasoline, diesel fuel, or kerosene; or industrial users of gasoline.
"T"	Will be completed by buyer's of gasoline for blending into gasohol outside the bulk transfer/terminal system.
"UP"	Will be completed by ultimate vendor's that sells kerosene from a blocked pump.
"UV"	Will be completed by ultimate vendor's that sells undyed diesel fuel or undyed kerosene to a state or local government for its exclusive use or for use by the buyer on a farm for farming purposes.
"V"	Will be completed by manufacturer's, importer's, or buyer's of ozone-depleting chemicals (ODC's) for export.
"W"	Will be completed by Operator's (other than state or local government) of a diesel-powered train.
"X"	Will be completed by pipeline operators or vessel operators within the bulk transfer/terminal system.
"Y"	Will be completed by buyers of aviation fuel for its use in commercial aviation (other than foreign trade).

2. USE OF DATA

The registration process allows the IRS to determine if those standards are met. These standards vary according to the activity involved. The registration process allows the IRS to monitor and identify taxpayers engaged in certain activities or making certain transactions. The IRS uses the data from the Form 637 to determine if the loss deduction is proper. The information obtained throughout the 637 Registration Program will be used (along with other factors) to determine if the person should be registered or should retain their registration under these IRC 4101 or 4222.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing for Form 637 because of the low volume compared to the cost of electronic enabling. However, the 637 Registration Program offers electronic verification of the registration status.

4. EFFORTS TO IDENTIFY DUPLICATION

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

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

There is no burden on small businesses or other small entities 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

The information required is needed to verify compliance with the Internal Revenue Code of the Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting 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 ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

In response to the Federal Register notice dated April 2, 2018 (83 FR 14105), we received no comments during the comment period regarding these regulations.

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 "Excise Files Information Retrieval (ExFIRS)" system and a Privacy Act

System of Records notice (SORN) has been issued for this system under IRS 34.037-IRS Audit Trail and Security Records System; IRS 42.002-Excise Compliance Programs; IRS 22.060-Automated Non Master File (ANMF); IRS 24.046- Customer Account Data Engine (CADE) Business Master File (BMF); IRS 42.008--Audit Information Management System (AIMS). The Department of Treasury PIAs can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>

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**

Form	# Respondents	# Responses Per Respondent- Approximate	Total Annual Responses	Hours Per Response	Total Burden
637 Application for Registration (For Certain Excise Tax Activities)	2000	1	2000	13 hr., 31 min.	27,020
"A" Questionnaire	120	1	120	45 min.	90
"B" Questionnaire	120	1	120	45 min.	90
"C" Questionnaire	120	1	120	55 min.	110
"D" Questionnaire	120	1	120	40 min.	80
"E" Questionnaire	120	1	120	30 min.	60
"F" Questionnaire	50	1	50	50 min.	42
"H" Questionnaire	120	1	120	1 hr., 40 min.4	200
"I" Questionnaire	50	1	50	45 min.	38
"J" Questionnaire	120	1	120	40 min.	80
"K" Questionnaire	120	1	120	45 min.	90
"M" Questionnaire	120	1	120	1 hr.	140
"Q" Questionnaire	120	1	120	1 hr., 20 min.	160
"R" Questionnaire	120	1	120	1 hr., 10 min.	140
"S" Questionnaire:					
For Refiners	120	1	120	1 hr., 55 min.	230
For Importers/Enterers	120	1	120	1 hr., 45 min.	210
For Terminal Operators	120	1	120	2 hrs.	240
For Industrial Users	120	1	120	1 hr., 45 min.	210
For Throughputters/ Position Holders	120	1	120	1 hr., 50 min.	220
For Exporters	120	1	120	1 hr., 50 min.	220
"T" Questionnaire	120	1	120	1 hr. 45 min.	210
"UP" Questionnaire	50	1	50	55 min.	46
"UV" Questionnaire	50	1	50	1 hr., 15 min.	63
"V" Questionnaire	120	1	120	1 hr., 5 min.	130
"W" Questionnaire	120	1	120	55 min.	110
"X" Questionnaire	120	1	120	55 min.	110
"Y" Questionnaire	120	1	120	1 hr., 20 min.	160
TOTAL	4,840		4,840		30,499

The following are related regulations which impose no additional burden. Please continue to assign OMB number 1545-1835 to these regulations.

48.4101-1
 48.4222(a)-1
 52.4682-5

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

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized start up expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as; complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is \$15,889 (costs are based on 2016 actuals obtained from IRS Chief Financial Office and Media and Publications).

15. REASONS FOR CHANGE IN BURDEN

There have been no changes to the forms that would increase burden.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	4,840	0	0	0	0	4,840
Annual Time Burden (Hr)	30,499	0	0	0	0	30,499

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 sunsets 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.