

SUPPORTING STATEMENT

Internal Revenue Service
Excise Tax; Tractors, Trailers, Trucks, and Tires;
Reporting & Recordkeeping Requirements
OMB# 1545-0745

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Before April 1, 1983, section 4061 imposed a tax on the manufacturer's sale of certain highway-type tractors, chassis, and bodies for highway-type trailers and trucks, and related parts and accessories for these articles. The Highway Revenue Act of 1982, Public

Law 97-424 (96 Stat. 2097) (the 1982 Act), changed this tax to a 12 percent tax under section 4051(a)(1) on the first retail sale of certain highway-type tractors and chassis and bodies for highway-type trailers and trucks.

On April 4, 1983, temporary regulations were published in the Federal Register (48 FR 14361; TD 7882) to implement this new retail tax. Subsequent amendments to these regulations were published in the Federal Register on September 13, 1985 (50 FR 37350; TD 8050); May 12, 1988 (53 FR 16867; TD 8200); and July 1, 1998 (63 FR 35799; TD 8774).

REG 103380-05 (81 FR 18544), published March 31, 2016, contains proposed regulations relating to the excise taxes imposed on the sale of highway tractors, trailers, trucks, and tires; the use of heavy vehicles on the highway; and the definition of highway vehicle related to these and other taxes. These proposed regulations reflect legislative changes and court decisions regarding these topics. These proposed regulations affect manufacturers, producers, importers, dealers, retailers, and users of certain highway tractors, trailers, trucks, and tires.

2. USE OF DATA

The information required to be collected is used by the seller and the IRS to verify that the proper amount of tax is reported or excluded. The information is also used to verify that the transaction is tax exempt.

(REG-103380-05) - This information is required to obtain a tax benefit and meet a taxpayer's recordkeeping obligations under section 6001. This information will be used by the IRS to substantiate claims for tax benefits.

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

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 are no small entities affected by this collection.

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

IRS uses this information to substantiate claims for tax benefits. The consequences for not collecting this appropriately are that the IRS will have to spend more to collect this data through other means. This will compromise the Agency's ability to comply with taxpayer's requests and effectively provide quality service. Tax compliance is a vital part of the government's ability to meet its' mission and serve the public.

If a taxpayer cannot provide the IRS with the information outlined in the proposed regulations (REG-103380-05), the IRS cannot determine if the taxpayer is entitled to a claim the tax benefit of a tax exempt sale. When these items are improperly sold tax free, a taxpayer/seller creates a market advantage for itself. In addition, without these exemption certificates, the IRS cannot be sure that it is collecting the correct amount of revenue for the Highway Trust Fund.

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

On April 4, 1983, temporary regulations were published in the Federal Register (48 FR 14361; TD 7882) to implement this new retail tax. Subsequent amendments to these regulations were published in the Federal Register on September 13, 1985 (50 FR 37350; TD 8050); May 12, 1988 (53 FR 16867; TD 8200); and July 1, 1998 (63 FR 35799; TD 8774).

In response to the **Federal Register** notice dated November 14, 2018 (83 FR 56918), 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 USC 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)” and “Individual Master File (IMF)” systems, and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS Treas/IRS 24.046 BMF, Treas/IRS 34.047 Audit Trail and Security Records, and Treas/IRS 24.030 CADE Individual Master File. The Internal Revenue Service 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

The burden estimate is as follows:

OMB Collection	Authority	Form	Annual Responses	Hours per Response	Total Burden
IRS 1545-0745	IRC 4061	---	7,100	.6887	4,890
	IRS TOTAL		7,100		4,890

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0745 to these regulations.

145.4051-1 145.4052-1 156.6001-1

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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead are nominal.

15. REASONS FOR CHANGE IN BURDEN

There are no changes to the burden, at this time. However, REG 103380-05 contained proposed regulations relating to the excise taxes imposed on the sale of highway tractors, trailers, trucks, and tires; the use of heavy vehicles on the highway; and the definition of highway vehicle related to these and other taxes. These proposed regulations reflect legislative changes and court decisions regarding these topics. These proposed regulations affect manufacturers, producers, importers, dealers, retailers, and users of certain highway tractors, trailers, trucks, and tires. This information will be used by the IRS to substantiate claims for tax benefits. This will increase the estimated burden by 750 hours.

We are submitting this request for renewal purposes only.

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 regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of 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 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.