

Supporting Statement
Internal Revenue Service
(Form 4136) Credits for Federal Tax Paid on Fuels
OMB #1545-0162

26304. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 34 of the Internal Revenue code allows a refundable credit for excise tax paid on gallons of gasoline and other fuels used for nontaxable uses. Sections 6420, 6421, and 6427 prescribe the time for filing the claim for refund or credit. Form 4136 sets forth the fuel categories and rates that are used in figuring the credit.

26305. USE OF DATA

The information supplied on Form 4136 is used by the IRS to determine the accuracy of the credit claimed.

26306. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We are currently offering electronic filing on Form 4136.

26307. EFFORTS TO IDENTIFY DUPLICATION

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

26308. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There is no flexibility to reduce burden on small businesses or other small entities because the statutes apply to small businesses and small entities.

26309. 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 taxpayer not having the means to calculate the correct refundable credit for excise tax paid on gallons of gasoline and other fuels used for nontaxable uses. This would impact their tax liability and the revenue needed to support the Federal government.

26310. 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).

26311. 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 February 1, 2019 (84 FR 1276), we received no comments during the comment period regarding Form 4136.

26312. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift will be 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)" 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. The Internal Revenue Service PIAs can be found at <http://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

Section 34 of the Internal Revenue code allows a refundable credit for excise tax paid on gallons of gasoline and other fuels used for nontaxable uses. Sections 6420, 6421, and 6427 prescribe the time for filing the claim for refund or credit. Form 4136 sets forth the fuel categories and rates that are used in figuring the credit.

Respondents attach Form 4136 to their tax return. Respondents use Form 4136 to claim;

- a credit for certain nontaxable uses (or sales) of fuel during an income tax year.
- a credit for blending a diesel-water fuel emulsion.
- a credit for exporting dyed fuels or gasoline blendstocks.

The burden estimate is as follows:

Authority	Description	# of Respondents	# of responses per respondent	# of Responses	Hours per Response	Total Burden
IR C §34	Form 4136	1,219,173	1	1,219,173	.49	597,395
	Form 4136 (Line 1)	210,146	1	210,146	1.70	357,249
	Form 4136 (Line 2)	2,686	1	2,686	1.70	4,567
	Form 4136 (Line 3)	25,375	1	25,375	2.67	67,752
	Form 4136 (Line 4)	718,479	1	718,479	3.65	2,622,449
	Form 4136 (Line 5)	14,217	1	14,217	2.63	37,391
	Form 4136 (Line 6)	8,065	1	8,065	1.46	11,775
	Form 4136 (Line 7)	239,493	1	239,493	1.70	407,139
	Form 4136 (Line 8)	431	1	431	3.65	1,574
	Form 4136 (Line 9)	277	1	277	1.22	338
	Form 4136 (Line 10)	143	1	143	2.31	331
	Form 4136 (Line 11)	2,000	1	2,000	5.83	11,660
	Form 4136 (Line 12)	233	1	233	4.62	1,077
	Form 4136 (Line 13)	433	1	433	1.70	737
	Form 4136 (Line 14)	467	1	467	.97	453
	Form 4136 (Line 15)	200	1	200	.73	146
	Form 4136 (Line 16)	33	1	33	1.18	39
Form 4136 (Line 17)	7	1	7	.49	4	
Totals		2,441,858		2,441,858		4,122,076

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

summarized in the table below.

Product	Aggregate Cost per Product (factor applied)		Printing and Distribution		Government Cost Estimate per Product
Form 4136	49,757	+	0	=	49,757
Instructions	10,662		249		10,911
Grand Total					60,668
Table costs are based on 2016 actuals obtained from IRS Chief Financial Office and Media and Publications					
* New product costs will be included in the next collection update.					

15. REASONS FOR CHANGE IN BURDEN

Line 10. The biodiesel or renewable diesel mixture credit expired for fuel sold or used after 12/31/17.

P.L. 115-123, sec. 40407; IRC 6426(c)6). These lines are replaced with "Reserved for future use" and the entry boxes are gray shaded.

Line 12: The alternative fuel credit expired for fuel sold or used after 12/31 17. P.L. 115-123, sec. 40415; IRC 6426(d)5). These lines are replaced with "Reserved for future use" and the entry boxes are gray shaded.

"Reserved for future use" are generally restored to show the underlying credits extended by late legislation (Extenders).

There is no change to the paperwork burden previously approved by OMB. IRS is making this submission for renewal purposes.

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 form sunsets as of the expiration date.

Taxpayers are not likely to be aware that the IRS intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTION 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.