

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0097

**Notices Relating to Payment of Firearms and Ammunition Excise Tax
by Electronic Fund Transfer.**

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 (6 U.S.C. 531(d)). In addition, the Secretary of the Treasury (Secretary) has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Order 120–01.

The IRC at 26 U.S.C. 4181 imposes a tax on sales of firearms and ammunition made by manufacturers, producers, and importers of such articles. Under the authority of the IRC at 26 U.S.C. 6302, TTB collects this firearms and ammunition excise tax (FAET) on the basis of a return, which taxpayers file quarterly on TTB F 5300.26 (approved under OMB Control No. 1513–0094). Section 6302 of the IRC also authorizes the Secretary to issue regulations regarding payment of taxes by electronic funds transfer (EFT).

The TTB regulations concerning FAET taxes are codified in 27 CFR Part 53, Manufacturers Excise Taxes—Firearms and Ammunition, and § 53.158 of those regulations prescribes a process by which taxpayers may voluntarily elect to pay such taxes by EFT. Under that regulation, and specific to this information collection, a taxpayer must notify TTB in writing of their intent to make future FAET payments by EFT, or, after having made such payments for four consecutive calendar quarters, of their intent to discontinue FAET payments by EFT. This information is necessary to protect the revenue as it allows TTB to anticipate and monitor taxpayer methods of FAET payment, and to ensure that those taxes are remitted in the appropriate form, as chosen by a taxpayer.

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?

TTB uses the notifications provided by respondents regarding their voluntary election to use, or discontinue use of, EFT to make FAET payments to anticipate and monitor such payments. The provided information is necessary to protect the revenue as it allows TTB to ensure that FAET taxes are remitted in the appropriate form, as chosen by a taxpayer.

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.

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?

The notices required under this information collection contain information specific to each respondent's voluntary decision to use, or to discontinue use of, EFT to pay FAET. As far as TTB is 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?

TTB requires notices regarding FAET payment by EFT only upon a taxpayer's election to use, or discontinue use of, EFT, and these notices are the minimum necessary to ensure compliance with the relevant regulation. Waiver or reduction of this requirement, simply because the respondent's business is small, could jeopardize the revenue since TTB would not be able to anticipate and monitor taxpayer methods of making FAET payments.

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?

If TTB were not able to collect this information, it could not fulfill its statutory obligation to protect the revenue, and it could not provide a method of FAET taxpayment by EFT. Taxpayers provide the collected information only upon their election to use, or discontinue use of, EFT to remit FAET, and, as such, TTB cannot conduct this information collection less frequently.

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? (See 5 CFR 1320.5(d)(2).)

There are no special circumstances associated with this information collection that require it to be inconsistent with OMB guidelines.

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 regarding this information collection, TTB published a 60-day comment request notice in the Federal Register on March 28, 2019, at 84 FR 11867. 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 information 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 on for this information collection. However, Federal law at 26 U.S.C. 6103 prohibits disclosure of tax returns and related taxpayer information unless disclosure is specifically authorized by that section. TTB maintains these notices in secure file rooms and computer systems 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 request 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?*

TTB estimates that 10 respondents file one notice per year regarding payment of FAET by EFT. TTB estimates that each response takes 6 minutes to complete, for a total annual estimated burden of 1 hour.

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)?*

TTB believes that respondents do not bear any annualized capital or start-up costs as a result of this very occasional information collection. However, TTB estimates that respondents have annualized non-labor costs (overhead and postage) of \$2.00 and annualized labor costs of \$4.00 per response sent to TTB as a result of this information

collection. Therefore, TTB estimates that this information collection's annual cost to respondents for its 10 annual responses is \$20.00 in non-labor costs and \$40.00 in labor costs, for a total \$60.00 in annual costs to respondents.

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

Based on recent experience, TTB estimates the cost to the Federal Government for this information collection request as follows:

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|---|----------------|
| Overhead costs | \$10.00 |
| Clerical costs | \$20.00 |
| Other Salary costs (review, supervisory, etc.) | \$40.00 |
| TOTAL COSTS | \$70.00 |

As there is no TTB form associated with this letterhead notice-based information collection, there are no printing and distribution costs to the Federal government for this collection.

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

There are no program changes associated with this information collection. As for adjustments, due to a reevaluation of the costs for responding to and processing this letterhead notice-based information collection, TTB has added respondent and Federal Government cost estimates to this information collection's approval request.

16. *Outline plans for tabulation and publication for collections of information whose results will be published.*

TTB will not publish the results of this information 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 TTB form associated with this information collection, which consists of written notices generated by respondents for submission to TTB. As such, there is no medium for TTB to display the OMB approval expiration date for this information collection.

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.