

SUPPORTING STATEMENT
Internal Revenue Service
Form 720-CS, Form 720-TO, and Form 8809-EX
Carrier Summary Report, Terminal Operator Report, and Request for Extension
of Time to File an ExSTARS Information Return
OMB #1545-1733

1. **CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 4101(d)(1) of the Internal Revenue Code allows the secretary to require information reporting of persons registered under section 4101(a) and other persons as necessary. Regulation 48.4101-2 requires monthly information reporting on forms as required by the Commissioner.

Representatives of the motor fuel industry, state governments, and the Federal government are working to ensure compliance with excise taxes on motor fuels. This joint effort has resulted in a system to track the movement of all products to and from terminals. Forms 720-CS is an information return that will be used by carriers to report their monthly deliveries and receipts of products to and from terminals. Forms 720-TO is an information return that will be used by terminal operators to report their monthly receipts and disbursements of products. These monthly returns are filed using Excise Summary Terminal Activity Reporting System (ExSTARS) information reporting.

Form 8809-EX is used to request a 30 day extension of time to file an ExSTARS information report (Form 720-TO, Terminal Operator Report, or Form 720-CS, Carrier Summary Report).

2. **USE OF DATA**

The information provided on the information returns will be used to determine potential areas of noncompliance on Form 720. The data collected from 8809-EX will be used to allow or deny an extension of 30 days.

3. **USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

Electronic filing may be used instead of paper reporting for forms 720-CS and 720-TO. We estimate that 90% of these filings will be electronic. We intend to offer electronic filing for Form 8809-EX in the future.

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**

Form 8809-EX will standardize the extension request process and eliminate any confusion on the required extension request process. ExSTARS Coordinator monitors all extension submissions and is responsible for ExSTARS filing compliance.

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

Consequences of less frequent collection on federal programs or policy activities could consist of a decrease in the amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

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 our **Federal Register** notice dated November 21, 2019 (84 FR 67514), we received no comments during the comment period.

9. **EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift was 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. The Department of Treasury 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**

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Section 4101(d)(1)	720-CS	5,700	1	5,700	7.33	41,781
	Schedule A	17,100	1	17,100	4.13	70,623
	Schedule B	17,100	1	17,100	4.13	70,623
Totals		39,900		39,900		183,027

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
	720-TO	18,000	1	18,000	12.44	223,920
	Schedule A	126,000	1	126,000	3.65	449,900
	Schedule B	360,000	1	360,000	4.62	1,663,200
Totals		504,000		504,000		2,347,020

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
	Form 8809 EX	480	1	480	.70	336
Totals						

13. **ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There is no estimated cost burden to respondents.

14. **ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

Product	Aggregate Cost per Product (factor applied)		Printing and Distribution		Government Cost Estimate per Product
Form 720CS	11,847	+	0	=	11,847
Form 720CS Instructions	3,190	+	0	=	3,190
Form 720TO	15,401	+	0	=	15,401
Form 720TO Instructions	3,645	+	0	=	3,645
Form 8809EX	14,216	+	0	=	14,216
Grand Total	48,214				48,214
Table costs are based on 2018 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**

There is no change in the paperwork burden 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 regulation 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.