

**Department of Justice**  
**Bureau of Alcohol, Tobacco, Firearms and**  
**Explosives**  
**Supporting Statement**  
**Information Collection Request**  
**OMB 1140-0090**

National Firearms Act (NFA) - Special Occupational Taxes (SOT) -  
ATF Form 5630.7, ATF Form 5630.5R, and ATF Form 5630.RC

**A. Justification**

1. When initiating a business and thereafter on or before July 1 of each year, every importer, manufacturer, and dealer in firearms shall pay a special (occupational) tax for each place of business (26 USC 5801). Since 1972, ATF has been collecting Special Occupational Taxes (SOT) under the National Firearms Act (NFA) (Title 26, USC Chapter 53). Firearms dealers, manufacturers, and importers must pay this tax in order to conduct multiple transfers of specified weapons (such as machine guns) within the tax year. ATF also has collection and programmatic responsibility for three (3) other revenue programs: Federal firearms and explosives licensing; imports; and NFA making and transfer taxes. The NFA making and transfer taxes are assessed under the same statutory authority as the NFA-SOT. The difference is in scope. For instance, under NFA-SOT, firearms dealers, manufacturers, and importers pay an annual tax of \$1000 or \$500 (depending upon business size) for unlimited weapons transfers. However, under NFA making and transfer, the fee is \$200 per weapons transfer. Transferring entities, regardless of the amount paid, must register weapons transfers with ATF.
  
2. In order to meet the statutory requirements and ensure that payees receive credit for their payments, ATF must have correct information about the taxpayer, including name, mailing address, employee identification number (EIN), business telephone number, and information on the tax class for which payment is being made. All new taxpayers must initially complete the registration and return the Special Tax Registration and Return National Firearms Act (NFA) - ATF Form 5630.7. Taxpayers will receive both the NFA Special Tax Renewal Registration and Renewal - ATF Form 5630.5R and the NFA Special Tax Location Registration Listing - ATF Form 5630.5RC, prepopulated with their information annually. However, they will receive ATF Form 5630.RC only when there is supplemental location information, which they must review and correct any erroneous information. The tax years extend from July 1, 20XX through June 30, 20XX + 1. ATF compiles the provided information within a revenue system, which is also used to populate SOT renewal forms for subsequent tax years.

ATF Form 5630.7 is a fillable form that is available for download and completion by new taxpayers from the ATF intranet portal. The completed form must be mailed to U.S. Bank in Portland, OR. Both ATF Forms 5630.5R and 5630.5RC are prepopulated before being mailed to existing taxpayer. Taxpayers do not manually

complete these forms, unless updates are being made to the prepopulated data. Taxpayers must submit payments with the forms to receive proper credit. Specifically, the completed forms must be sent to the designated ATF lockbox listed on each form, so payment can be processed and the forms provided to ATF for review and action.

4. The Alcohol and Tobacco Tax and Trade Bureau (TTB) SOT forms collect similar information as this collection. However, the TTB's target population is alcohol and tobacco producers, while ATF's target population is firearms dealers, manufacturers and importers. ATF uses a subject classification code to ensure that there is no duplication within ATF.
5. The collection does not impact small businesses.
6. Without this information collection, ATF would be unable to validate or allow the transfer selected weapons between organizations.
7. This information collection requirement is conducted in a manner consistent with 5 CFR 1320.6.
8. No comments were received during the 60-day Federal Register Notice period. However, a 30-day notice will be published in the Federal Register to solicit public comments.
9. No payment or gift is associated with this collection.
10. Confidentiality is not assured. The respondents' information is maintained in secured location.
11. No questions of a sensitive nature are asked. ATF requests that taxpayers correct the employer identification number (EIN) for their businesses, to ensure that the trade entity is properly identified and credited for all tax payments made.
12. Both ATF Form 5630.5R and 5630.5RC are renewal forms that are prepopulated with information that was previously provided by the taxpayer. However, ATF Form 5630.5RC is generated only when there is supplemental location information for a taxpayer. Therefore, the only requirement is for the taxpayer to review and correct the preprinted information:
  - It is estimated that it will take on average 10 minutes to review the prepopulated information on ATF Form 5630.5R and 5630.5RC, and an additional 10 minutes to make any corrections to either form, for a combined 20 minutes.
  - Approximately 17,000 taxpayers pay the SOT and review and/or revise SOT forms annually. Therefore, the total hourly burden associated with these forms is 5,666, which is equal to  $.3333$  (20 minutes) \* 17,000 (# of taxpayers).
  - ATF Form 5630.7 must initially be completed in its entirety by the taxpayer.

There are approximately 3,000 new taxpayers annually, and it will take each of them 15 minutes to complete their responses. Therefore, the total burden associated with this form is 750 hours, which is equal to .25 (15 minutes)\* 3,000 (# new taxpayers).

The total combined respondents for this IC is 20,000, and each taxpayer responds once annually. However, the total burden hours associated with this IC is 6,416.

13. The estimated cost for all 20,000 respondents to mail either SOT form i.e. ATF Form 5630.7, ATF Form 5630.5R, and/or ATF Form 5630.5RC, if applicable, is \$.60 per person. Therefore, the combined public cost associated with this IC is \$12,000.
14. It is estimated that it will cost \$2,000 to the Federal Government to print a total of 20,000 copies of the forms.
15. The adjustments associated with the collection include an increase in the total respondents and total burden hours by 13,650 and 4,328 respectively, since the last renewal in 2017. Due to more respondents, the public cost burden has also increased by \$ 8, 953.
16. The results of this collection will not be published.
17. ATF does not request approval to not display the expiration date of OMB approval for this collection.
18. There are no exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods**

None.