

SUPPORTING STATEMENT

Internal Revenue Service

(TD 8043) Manufacturers Excise Taxes on Sporting Goods and Firearms and Other
Administrative Provisions of Special Application to Manufacturers and Retailers Excise Taxes;
Reporting and Recordkeeping Requirements
OMB Control Number 1545-0723

(1) CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Treasury Decision (TD) 8043 revises and updates regulations on manufactures excise taxes on sporting goods, firearms and other administrative provisions especially applicable to manufacturers and retailers excise taxes.

Internal Revenue Code (IRC) Section 4161 imposes on the sale of any article of sport fishing equipment by the manufacture, producer, or importer a tax of 10% of the price will be imposed.

Section 4181 of the IRC imposes a tax, upon the sale by the manufacture, producer, or importer a tax of 10% will be imposed on pistols and revolvers, and a tax of 11% shall be imposed on firearms (other than pistols and revolvers), shells and cartridges.

Section 4182 of the IRC details the exemptions to the taxes imposed by sections 4181 and 5811(transfer tax).

Section 6206 of the IRC detail the special rules applicable to excessive claims under sections 6416, 6420, 6421, 6427, or 6675.

Section 6412 of the IRC addresses tires and taxable fuel that have been sold by the manufacturer, producer or importer; but are being held by a dealer and has not been used and is intended for sale, the manufacturer, producer, or importer will be eligible for a credit or refund.

Section 6416 of the IRC Certain states no credit or refund of any overpayment of tax imposed relating to retail excise or manufacturing taxes will be allowed or made unless the person who paid the tax meets the requirements of section 6416.

Section 6420 of the IRC allows the ultimate purchaser of gasoline used on a farm for farming purposes to claim a credit or refund of the tax and provides rules relating to those claims.

Section 6421 of the IRC allows the ultimate purchaser of gasoline for specified nontaxable purposes to claim a credit or refund of the tax and provides rules relating to those claims.

Section 6427 of the IRC allows the ultimate purchaser of certain fuels for specified nontaxable purposes to claim a credit or refund of the tax and provides rules relating to those claims.

Section 6675 of the IRC will assess a civil penalty, if a claim for an excessive amount is made for fuels covered by sections 6420, 6421, and 6427.

(2) **USE OF DATA**

The data is used by the Internal Revenue Service and taxpayers to verify that the proper amount of tax is reported or excluded.

(3) **USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

IRS Publications, regulations, published guidance, e.g., revenue rulings and revenue procedures, notices, letters, and letter rulings are to be electronically enabled on an ‘as practicable’ basis in accordance with the IRS Reform and Restructuring Act of 1998. The IRS has no plans to offer electronic enabling because this collection is a notification of the rules for excise taxes on sporting goods and firearms and other administrative provisions of special application to manufacturers and retailers excise taxes.

(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**

The IRS proactively works with both internal and external stakeholders to minimize the burden on small businesses, while maintaining tax compliance. The Agency also seeks input regarding the burden estimates from the public via notices and tax product instructions. The Agency will continue to as applicable find ways to reduce the burden on small businesses or other small entities.

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

Consequences of less frequent collection would result in the IRS being unable to monitor compliance with the Federal tax rules related to the manufactures excise taxes on sporting goods, firearms and other administrative provisions especially applicable to manufacturers and retailers excise taxes; thereby engendering the inability of the IRS to meet its mission.

(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 the Federal Register notice dated January 15, 2021 (86 FR 4180), we received no comments during the comment period regarding TD 8043.

(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 return information are confidential under 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)” and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 – Electronic Filing Records; IRS 24.030 – Customer Account Data Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA’s 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

In order to ensure that claims for credit or refund of excise tax are paid properly, the IRS requires that specified information relating to the sale and use of specified articles be retained by persons claiming credits and refunds of tax. In addition, information must be reported to claimants by purchasers of those articles.

Also, claimants must file claims with the IRS and supply supporting information with the claims. This information is extremely important to the IRS, to verify that claims submitted are correct and that the claimants are entitled to receive a credit or refund. This information collection encompasses both reporting and recordkeeping requirements. We estimate that 1,500,000 taxpayers will spend an average of .317 hours (19 mins), the total burden for these two requirements is 475,000 hours.

Burden associated with this collection are identified on the attached burden table and the total burden identified is:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Treasury Regulation 48.6416(a)/48.6416(b)	TD 8043 (reporting/recordkeeping requirements)	1,500,000	1	1,500,000	.317	475,000
Total						475,000

*Total may not add due to rounding.

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0723 to these regulations.

48.0-1	48.6416(b)(2)-4	48.6416(h)-1	48.6421-2
48.4161(a)-1	48.6416(b)(3)-1	48.6420-1	48.6421-3
48.4161(a)-2	48.6416(b)(3)-2	48.6420-2	48.6421-4
48.4161(b)-1	48.6416(b)(3)-3	48.6420-3	48.6421-5
48.6416(a)-1	48.6416(b)(4)-1	48.6420-4	48.6421-6
48.6416(a)-2	48.6416(b)(5)-1	48.6420-5	48.6421-7
48.6416(a)-3	48.6416(c)-1	48.6420-6	48.6675-1
48.6416(b)(1)-1	48.6416(e)-1	48.6420-7	
48.6416(b)(1)-2	48.6416(f)-1	48.6421-0	
48.6416(b)(1)-3	48.6416(g)-1	48.6421-1	

48.6416(b)(1)-4			
48.6416(b)(2)-1			
48.6416(b)(2)-2			
48.6416(b)(2)-3			

Other forms linked to the reporting and recordkeeping requirement of this collection:

Sections 48.6420-2(d)(2), 48.6421-3(d)(2), and 48.6427-3(d)(2) require a claim for refund to be filed on Form 8849 (Claim for Refund of Excise Taxes). The burden for this reporting requirement is reflected on Form 8849 under OMB control number 1545-1420.

Sections 48.6420-2(d)(1), 48.6421-3(d)(1), and 48.6427-3(d)(1) require a claim for credit against income tax to be filed on Form 4136 (Credit for Federal Tax Paid on Fuels). The burden for this reporting requirement is reflected on Form 4136 under OMB control number 1545-0162.

Sections 48.6416(a)-1, 48.6416(b)(3)-1, and 48.6416(f)-1 require a claim for credit to be filed on Form 720 (Quarterly Federal Excise Tax Return). The burden for this reporting requirement is reflected on Form 720 under OMB control number 1545-0023.

Sections 48.6421-1(f), 48.6427-1(e) and, 48.6427-2(d), require a claim for credit to be filed on Form 843 (Claim For Refund and Request for Abatement). The burden for this reporting requirement is reflected on Form 843 under OMB control Number 1545-0024.

(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

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.

(15) **REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB. IRS is 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.