

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Form 4136 - Credits for Federal Tax Paid on Fuels

OMB Control Number 1545-0162

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) section 34 allows a refundable credit for excise tax paid on gasoline and other fuels used for nontaxable uses as outlined in IRC sections 6420, 6421, 6427, and associated Treasury Regulations.

Taxpayers use Form 4136 to calculate and claim the credit on their tax return.

2. USE OF DATA

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

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of Form 4136 is currently available.

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

Small businesses should not be disadvantaged as the form has been structured to request the least amount of information and still satisfy the needs of the IRS and the requirements of IRC sections 34, 6420, 6421, and 6427.

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

A less frequent collection on federal programs would not allow the IRS to verify the correct amount of fuel credit allowed on the tax return, resulting in the inability of the IRS to meet its mission. It would also limit the taxpayer's right to claim the credit as provided by law.

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

We received no comments during the public comment period in response to the Federal Register notice (87 FR 23917), dated April 21, 2022.

9. 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 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 Treasury/IRS 22.062 - Electronic Filing Records, Treasury/IRS 24.030 - Customer Account Data Engine (CADE) Individual Master File, Treasury/IRS 24.046 - CADE Business Master File (BMF), and Treasury/IRS 34.037 - Audit Trail and Security Records. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/privacy-disclosure/privacy-impact-assessments-pia>.

Title 26 U.S.C. 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.

This is an attachment to the federal tax return. The Privacy Act statement associated with this form is listed in the federal tax return instructions.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

IRC section 34 allows a refundable credit for excise tax paid on gallons of gasoline and other fuels used for nontaxable uses. Form 4136 is used to calculate and claim the credit on a tax return.

The estimated burdens for individual and business filers are included in the estimates for OMB control numbers 1545-0074 and 1545-0123. This collection includes the estimated burden for estates, trusts, and tax-exempt organizations filing Form 4136 with their tax return. The IRS anticipates that there will be approximately 2,140 respondents annually, with a total estimated burden of 80,015 hours annually. The estimated burden is shown below.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden Hours
IRC 34	Form 4136	2,140	1	2,140	37.39	80,015
Totals		2,140		2,140		80,015

The following Treasury Regulations impose no additional burden. Please continue to assign OMB number 1545-0162 to these regulations.

48.6420-1 through 6

48.6421-0 through 7

48.6427-1 through 2

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

From our Federal Register notice, dated April 21, 2022, no public comments on the estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information were received. However, to ensure more accuracy and consistency across its information collections, the IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, the 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 startup expenses, operating and maintenance expenses, and distribution of the product that collects the information. These costs do not include any activities such as taxpayer assistance and enforcement.

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	\$79,900	\$0	\$79,900
Form 4136 Instructions	\$17,121	\$249	\$17,370
Grand Total	\$97,021	\$249	\$97,270

Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications

15. REASONS FOR CHANGE IN BURDEN

There is no change to the existing collection. However, the estimated number of responses was updated to eliminate duplication of the burden associated with individual respondents captured under OMB control number 1545-0074 and business respondents captured under OMB control number 1545-0123. This decreases the burden by 2,439,718 responses and 4,118,463 hours due to Agency Discretion.

The estimated time per respondent was also updated to better reflect the information collection and record keeping requirements for the form as a whole. This increases the burden by 76,402 hours due to Agency Estimate.

	Total Approved	Change Due to New Statute	Change Due to Agency Discretion	Change Due to Adjustment in Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	2,140	0	-2,439,718	0	0	2,441,858
Annual Time Burden (Hr)	80,015	0	-4,118,463	76,402	0	4,122,076

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

The 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.