

Supporting Statement
Internal Revenue Service (IRS)
Diesel Fuel and Kerosene Excise Tax; Dye Injection (TD 9199)
OMB Control No. **1545-1418**

1. CIRCUMSTANCES NECESSITATING COLLECTON OF INFORMATION

Regulation 48.4082-1(d) amends the Manufacturers and Retailers Excise Taxes Regulations to reflect changes made by the American Jobs Creation Action of 2004, Pub.L. 108-357) relating to the tax imposed under section 4082(a) on diesel fuel and kerosene. Any diesel fuel or kerosene that is destined for a nontaxable use must be indelibly dyed by mechanical injection. The regulations describe the requirements for each mechanical dye injection system in order to make that system tamper resistant. Applications for approval by the Commissioner must met the standards as prescribed by §§48.4082-1T and 48.4101-1T.

Although § 48.4082-1T(d) requires mechanical injection of dye into diesel and kerosene, this is temporarily suspended by Notice 2005-80. The Notice lifted the requirement for mechanical injection. Section 6 of Notice provides, in part: (1)(i) Any means of dyeing by mechanical injection will be deemed to meet the mechanical injection requirements of § 4082(a) if the dyeing system includes measures to resist tampering that are consistent with customary business security practices. Thus, mechanical injection systems at a terminal are not required to meet the specific requirements of § 48.4082-1T(d) and no penalty will be imposed under § 6715A(a)(2) for a failure to meet those specific requirements. Because of this, there is currently no requirement in the regulations for pre-approval by the IRS to inject dye into exempt fuel. The statutory requirement remains codified until such time they are finalized or removed. The burden has been adjusted accordingly.

This is a request to renew the OMB approval of an existing Information Collection (IC) tool.

2. USE OF DATA

Treasury Regulation 48.4082-1(d) requires that any diesel fuel or kerosene that is destined for a nontaxable use must be indelibly dyed by mechanical injection and Notice 2005-80 lifted the requirement for mechanical injection. The requirement will be used by the IRS to verify that the diesel fuel or kerosene is being identified for non-taxable purposes.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS has no plans to offer electronic filing as these are recordkeeping requirement only.

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 collection of information requirement will not have a significant economic impact on a substantial number of small entities.

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

A less frequent collection of this information would not allow the IRS determine taxable and non-taxable purposes and hinder the IRS from meeting 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 March 18, 2024 (89 FR 19393), we received no comments during the comment period regarding TD 9199.

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 return information are confidential under 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
48.4082-1T(d)	TD 9199	1	1	1	1	1

The information collection requirement prescribed by regulation by §48.4082-1T will

continue to be suspended by Notice 2005-80, until such time as prescribed by the IRS. A placeholder of one hour is being requested for this purpose.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

From our Federal Register notice dated March 18, 2024, no public comments were received on the estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. As a result, estimates of these cost burdens are considered nominal.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There is no cost to the federal government for these recordkeeping requirements.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the 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.