

Supporting Statement
Internal Revenue Service
Quarterly Federal Excise Tax Returns
OMB Control Number 1545-0023

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Excise taxes are taxes paid when purchases are made on a specific good, such as gasoline. Excise taxes are often included in the price of the product. There are also excise taxes on activities, such as on wagering or on highway usage by trucks. One of the major components of the excise program is motor fuel. Internal Revenue Code (IRC) 4081 imposes tax for miscellaneous excise taxes, manufacturers excise taxes, automotive and related items, petroleum products and motor and aviation fuel.

Publication 510, *Excise Taxes*, covers the excise taxes for which taxpayers may be liable and which are reported on Form 720 and other forms. Form 720, *Quarterly Federal Excise Tax Return*, is used to report liability by IRS number and to pay the excise taxes listed on the form. Form 720-X, *Amended Quarterly Federal Excise Tax Return*, is used to make adjustments to liability reported on previously filed forms 720.

Form 6627, *Environmental Taxes*, is used to figure the environmental tax on petroleum, Ozone-Depleting Chemicals (ODCs), imported products that used ODCs as materials in the manufacture or production of the product, and the floor stocks tax on ODCs pursuant to IRC 4461, 4681 and 4682.

2. USE OF DATA

The information supplied on Form 720 and related forms are used by the IRS to determine the correct liability. Additionally, the data is reported by the IRS to Treasury so that funds may be transferred from the general revenue fund to the appropriate trust fund.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of these forms is currently available through any electronic return originator (ERO), transmitter, and /or intermediate service provider (ISP) participating in the IRS-e-file program for 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

IRS has attempted to minimize the burden on small businesses or other small entities. The collections of information on this form will not have a significant economic impact on a substantial number of small entities. Small businesses should not be disadvantaged as the requirements are structured to request the least amount of information and still satisfy the requirements of the statute and the needs of the Internal Revenue Service (IRS).

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

Consequences of less frequent collection on federal programs or policy activities would result in the IRS being unable to determine the correct amount of taxes a taxpayer is required to claim, thereby engendering the inability of the IRS to collect the tax in compliance with 26 USC 4081.

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 (90 FR 52163), dated November 17, 2025, the IRS received no comments during the comment period for this collection of information.

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 tax return information are confidential as required by Title 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Excise Files Information Retrieval System (EFIRS)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 22.060-Automated Non-Master File (ANMF); IRS 24.046-Customer Account Data Engine (CADE)Business Master File (BMF); IRS 34.037-IRS Audit Trail and Security Records System; IRS 42.002-Excise Compliance Programs; IRS-42.008-Audit Information Management System(AIMS). The Internal Revenue Service PIAs can be found at <http://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

Form 720, *Quarterly Federal Excise Tax Return*, is used to report liability by IRS number and to pay the excise taxes listed on the form. There are over forty separate tax categories on Form 720. The form is used to report: (1) excise taxes due from retailers and manufacturers on the sale or manufacture of various articles; (2) the tax on facilities and services; (3) environmental taxes; (4) luxury tax; and (5) floor stocks taxes. It enables IRS to monitor excise tax liability for various categories on a single form and to collect the tax quarterly in compliance with the law and regulations.

Form 720-X, *Amended Quarterly Federal Excise Tax Return*, is used to make adjustments to liability reported on previously filed forms 720.

Form 6627, Environmental Taxes, is used to figure the environmental tax on petroleum, ODCs, imported products that used ODCs as materials in the manufacture or production of the product, and the floor stocks tax on ODCs.

The estimated burden associated with completing these forms is:

Forms	Respondents	# Responses per Respondent	Annual Respondents	Hours per Response	Total Burden
Form 720	181,300	1	181,300	16.16	2,929,808
Form 720-X	22,000	1	22,000	6.90	151,800
Form 6627	3,400	1	3,400	7.00	23,800
Totals	206,700		206,700		3,105,408

Please continue to assign OMB number 1545-0023 to these regulations:

40.6011(a)-1	48.4041-20	48.4221-5
40.6302(c)-3	48.4042-2	48.4221-6
46.4371-4	48.4061(a)-1	48.4221-7
46.4374-1	48.4061(a)-2	48.4223-1
46.4701-1	48.4061(b)-3	48.6302(c)-1
48.4041-4	48.4071-1	48.6416(a)-1
48.4041-5	48.4073-1	48.6416(e)-1
48.4041-6	48.4073-3	48.6416(f)-1
48.4041-7	48.4216(a)-2	48.6420(c)-2
48.4041-9	48.4216(a)-3	48.6420(f)-1
48.4041-10	48.4216(c)-1	48.6427-1
48.4041-11	48.4221-1	49.4253-3
48.4041-12	48.4221-2	49.4253-4
48.4041-13	48.4221-3	49.4264(b)-1
48.4041-19	48.4221-4	49.4291-1

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

From our Federal Register notice dated November 17, 2025, 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

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.

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	Labor & Downstream Impact Costs		Print & Shipping Costs		Government Cost Estimate per Product
Form 720	\$152,197	+	\$ 0	=	\$152,197
Instr. Form 720	\$65,042	+	\$ 0	=	\$65,042
Form 720-X	\$28,185	+	\$ 0	=	\$28,185
Form 6627	\$118,376	+	\$ 0	=	\$118,376
Instr. Form 6627	\$5,837	+	\$ 0	=	\$5,837
Grand Total	\$369,637	+	\$ 0	=	\$369,637

Table costs are based on 2024 actuals obtained from IRS Chief Financial Officer and Media and Publications

15. REASONS FOR CHANGE IN BURDEN

The One Big Beautiful Bill [PL 119-21 sec. 70604] created the Transfer Remittance Tax under new IRC section 4475. IRS No. 155 will be used to report this tax. Form 720 is being modified to add a new line in Part I on page 2 under Other Excise Tax for IRS No. 155 Remittance transfer tax. This increases the number of responses by 500 and the burden hours by 346,480 annually due to New Statute. The estimated number of respondents has changed based on current filing data. This increases the number of responses by 800 and the burden hours by 12,928 due to Agency Estimate.

	Total Requested	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	206,700	500	0	800	0	205,400
Annual Time Burden (Hr)	3,105,408	346,480	0	12,928	0	2,746,000

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

It is believed 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. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.