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United States Government Accountability Office
Washington, DC 20548

November 4, 2010

The Honorable Calvin L. Scovel III
Inspector General
U.S. Department of Transportation

Subject: *Applying Agreed-Upon Procedures: Fiscal Year 2010 Airport and Airway Trust Fund Excise Taxes*

Dear Mr. Scovel:

We have performed the procedures described in the enclosure to this letter, which we agreed to perform and with which you concurred, solely to assist your office in ascertaining whether the net excise tax revenue distributed to the Airport and Airway Trust Fund (AATF) for the fiscal year ended September 30, 2010, is supported by the underlying records. As agreed with your office, we evaluated fiscal year 2010 activity affecting excise tax distributions to the AATF.

We conducted the engagement in accordance with U.S. generally accepted government auditing standards, which incorporate certain financial audit and attestation standards established by the American Institute of Certified Public Accountants.

You are responsible for the adequacy of these agreed-upon procedures to meet your objectives, and we make no representation in that respect. The procedures we agreed to perform were related to (1) transactions that represent the underlying basis of amounts distributed from the general fund to the AATF during fiscal year 2010, (2) the Internal Revenue Service's (IRS) quarterly AATF excise tax receipt certifications prepared during fiscal year 2010, (3) the U.S. Department of the Treasury's Financial Management Service adjustments to AATF excise tax distributions during fiscal year 2010, (4) the U.S. Department of the Treasury's Office of Tax Analysis's (OTA) estimates of excise tax amounts to be distributed to the AATF for the fourth quarter of fiscal year 2010, (5) adjustments to the AATF for tax on kerosene used in aviation during fiscal year 2010, and (6) the amount of net excise taxes distributed to the AATF during fiscal year 2010. The enclosure provides more detail on the agreed-upon procedures and our results.

We were not engaged to perform, and did not perform, an examination, the objective of which would have been to express an opinion on the amount of net excise taxes distributed to the AATF during fiscal year 2010. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come

to our attention that we would have reported to you. We completed the agreed-upon procedures on October 27, 2010.

We provided a draft of this letter, along with the enclosure, to IRS and OTA officials for review and comment. IRS agreed with the results and findings presented in the enclosure. OTA agreed with the results and findings presented in the enclosure relating to its responsibilities, that is, the procedures performed in the estimation process for the quarter ended September 30, 2010.

This report is intended solely for the use of the Office of Inspector General of the U.S. Department of Transportation and should not be used by those who have not agreed to the procedures or have not taken responsibility for the sufficiency of the procedures for their purposes. However, the report is a matter of public record, and its distribution is not limited. The report is available at no charge on the GAO Web site at <http://www.gao.gov>.

If you have any questions concerning this report, please contact me at (202) 512-3406 or sebastians@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

Sincerely yours,

A handwritten signature in black ink, reading "Steven J. Sebastian". The signature is written in a cursive style with a large, stylized "S" at the beginning.

Steven J. Sebastian
Director
Financial Management and Assurance

Enclosure

Airport and Airway Trust Fund Excise Tax Procedures and Results

I. Procedures on Transactions That Represent the Underlying Basis of Amounts Distributed to the Airport and Airway Trust Fund (AATF) in Fiscal Year 2010

- A. Nonstatistical selection of tax returns from the quarters ending June 30, 2009,¹ and September 30, 2009²
1. For each of the quarters ending June 30, 2009, and September 30, 2009, select the 30 largest excise tax returns containing excise taxes related primarily to the AATF and the Highway Trust Fund (HTF) on the basis of total tax liability amount³ from the Internal Revenue Service's (IRS) master file.⁴

Description of Findings and Results

We selected the 30 largest excise tax returns related primarily to the AATF and the HTF from each of the two quarters for testing. The selection was based on the total tax liability amount and type of taxes owed for each return from IRS's master file.

The total tax liability amount related to the 30 returns from the quarter ended June 30, 2009, was approximately \$9.1 billion or 72 percent of the total recorded tax liability amount of \$12.7 billion for all excise tax returns for the quarter. Of these 30 returns, 9 contained primarily AATF-related tax liabilities and 21 contained primarily HTF-related tax liabilities.

The total tax liability amount related to the 30 returns from the quarter ended September 30, 2009, was approximately \$9.2 billion or 71 percent of the total recorded tax liability amount of \$12.9 billion for all excise tax returns for the quarter. Of these 30 returns, 9 contained primarily AATF-related tax liabilities and 21 contained primarily HTF-related tax liabilities.

¹In October 2009, the Internal Revenue Service (IRS) completed its certification of excise tax distributions to the AATF for the quarter ended June 30, 2009, and the U.S. Department of the Treasury's Financial Management Service (FMS) recorded the corresponding adjustment to transfer funds between the general fund and the trust fund. Administrators of the Federal Aviation Administration (FAA) recorded the adjustment amount on FAA's financial statements, which include AATF data, for fiscal year 2009.

²The IRS certification of excise tax distributions and corresponding FMS adjustment for the quarter ended September 30, 2009, were completed in February 2010, and thus affected distributions to the AATF during fiscal year 2010.

³Although the certifications are based on amounts collected, we used the tax liability amounts to identify the taxpayers paying the largest amounts of excise taxes. These taxpayers generally pay their excise taxes in full each quarter.

⁴The master file is a detailed database containing taxpayer information.

Of the 60 returns selected from these two quarters, 18 contained primarily AATF-related tax liabilities, and 42 contained primarily HTF-related tax liabilities.

2. For each of the returns related primarily to the AATF, perform the following procedures:
 - (a) Compare the assessment amounts for tax on transportation of persons by air, tax on use of international air travel facilities, and tax on transportation of property by air, abstracts⁵ 26, 27, and 28 respectively, from the tax return to IRS's master file for agreement.

Description of Findings and Results

The assessment amount for tax on transportation of persons by air, tax on the use of international air travel facilities, and tax on transportation of property by air, abstracts 26, 27, and 28 respectively on the tax return, agreed with the master file for all 18 returns containing primarily AATF-related tax liabilities.

- (b) Calculate the assessment amounts on the tax return for the selected abstracts to determine whether they are mathematically correct.

Description of Findings and Results

The taxpayers' calculations for the selected abstracts were mathematically correct on all 18 returns containing primarily AATF-related tax liabilities.

⁵The abstract numbers identify the tax type (e.g., gasoline and ticket tax) and are used as the basis for determining the distribution of the excise taxes to the various trust funds. Abstract numbers are preprinted on the Form 720, *Quarterly Federal Excise Tax Return*, and are used by the taxpayer to report excise tax assessments. If the return was related to the AATF, we selected (1) tax on transportation of persons by air (abstract 26), (2) tax on the use of international air travel facilities (abstract 27), and (3) tax on transportation of property by air (abstract 28). If the return was related to the HTF, we selected (1) diesel fuel tax (abstract 60) and (2) gasoline tax (abstract 62). The tax amounts related to the selected abstracts for each trust fund are the largest tax amounts reported on the taxpayer's excise tax return and made up over 92 percent of the total amount certified to the AATF and over 87 percent of the total amount certified to the HTF for each of the quarters ended June 30, 2009, and September 30, 2009, respectively.

- (c) Calculate the prorated collection amount⁶ for the selected abstracts based on information from IRS's master file and compare this amount to the amount in IRS's Collection Certification System audit files⁷ for agreement.

Description of Findings and Results

The independently calculated prorated collection amounts for the selected abstracts agreed with amounts in IRS's Collection Certification System audit files for all 18 returns containing primarily AATF-related tax liabilities.

- B. Statistical selection of attribute and monetary unit samples (MUS) from the quarters ended December 31, 2009, and March 31, 2010

- 1. Sampling and other procedures

- (a) Compare excise tax collections from IRS's master file with excise tax collections from IRS's Collection Certification System audit files for the first two quarters of fiscal year 2010 to determine if they materially agree.⁸

Description of Findings and Results

Excise tax collections from IRS's master file materially agreed with IRS's Collection Certification System for the first two quarters of fiscal year 2010.

⁶These procedures encompassed approximately \$3.8 billion in prorated collections affecting distributions to the AATF. IRS certifies to trust funds the amount of excise taxes collected. Because taxpayers have sometimes not fully paid their tax liability, IRS must allocate the amount of payments actually received among the different excise taxes reported on the taxpayers' returns. IRS's Collection Certification System prorates a taxpayer's payments proportionately among all taxes reported as owed on the tax return. For example, if a corporation reports that it owes \$4 million for gasoline tax, \$2 million for diesel fuel tax, and \$1 million for kerosene tax on its Form 720, *Quarterly Federal Excise Tax Return*, but has paid IRS only \$3.5 million at the time IRS performs its certification, the program prorates the \$3.5 million in the following manner: \$2 million to gasoline tax, \$1 million to diesel fuel tax, and \$500,000 to kerosene tax.

⁷The Collection Certification System produces what IRS refers to as audit files. These audit files contain the individual prorated collections by abstract and taxpayer identification number. The certified amounts to the trust funds are calculated by subtracting credits from prorated collections and then multiplying the difference by the applicable trust fund distribution rates.

⁸For the purpose of this procedure, "material" is defined as 1 percent of the excise tax collections for the quarters ended December 31, 2009, and March 31, 2010.

- (b) Compare excise tax collections from IRS's master file with excise tax collections from IRS's general ledger for the first 9 months of fiscal year 2010 to determine if they materially agree.⁹

Description of Findings and Results

Excise tax collections from IRS's master file materially agreed with IRS's general ledger for the first 9 months of fiscal year 2010.

- (c) Select a random attribute sample of 78 excise tax returns from IRS's master file.¹⁰ Compare assessment and receipt information for each return from IRS's master file to IRS's Collection Certification System for agreement.

Description of Findings and Results

For all 78 returns, assessment and receipt information from IRS's master file agreed with the information in IRS's Collection Certification System.

- (d) Sum the prorated collections for selected abstracts¹¹ from IRS's Collection Certification System audit files and compare these amounts to amounts in the *Report of Excise Tax Collection*¹² to determine if the Collection Certification System properly summarized the prorated collections.

⁹This is a reconciliation of all excise tax collections that posted to the master file and general ledger during the first 9 months of fiscal year 2010 and is not limited to the first two quarters. For the purpose of this procedure, "material" is defined as 1 percent of the excise tax collections for the first 9 months of fiscal year 2010.

¹⁰For this sample, if one or no errors were found in our comparison of the 78 items, we would be 90 percent confident that the error rate in the population would not exceed 5 percent.

¹¹The selected abstracts are (1) tax on transportation of persons by air (abstract 26), (2) tax on the use of international air travel facilities (abstract 27), (3) tax on transportation of property by air (abstract 28), (4) tax on kerosene for use in commercial aviation (abstract 77), (5) diesel fuel tax (abstract 60), and (6) gasoline tax (abstract 62). The tax amounts for the four AATF-related abstracts made up over 97 percent of the total amount certified to the AATF, and the tax amounts for the two HTF-related abstracts made up over 92 percent of the total amount certified to the HTF for the quarters ended December 31, 2009, and March 31, 2010.

¹²The *Report of Excise Tax Collection* contains prorated collections, classified by abstracts, that serve as the basis for IRS's quarterly trust fund certifications.

Description of Findings and Results

The Collection Certification System properly summarized the prorated collections for all of the selected abstracts. Prorated collections from the audit files for the selected abstracts agreed with the corresponding amounts in the *Report of Excise Tax Collection*.

- (e) Separate the total population of prorated collections from IRS's Collection Certification System audit files into the following distinct populations: (1) AATF, (2) HTF, and (3) other excise tax abstracts. Use MUS to select a sample of prorated excise tax collections from the AATF population using a confidence level of 80 percent, a tolerable misstatement of \$106 million, and an expected aggregate error amount of \$32 million.¹³

Description of Findings and Results

Use of MUS with a confidence level of 80 percent, a tolerable misstatement of \$106 million, and an expected aggregate error amount of \$32 million resulted in a sample of 66¹⁴ prorated collections for the AATF for the first two quarters of fiscal year 2010.

- (f) Select samples of prorated excise tax collections from the two non-AATF populations. Use MUS to select a sample of prorated excise tax collections from the HTF population using a confidence level of 80 percent, a tolerable misstatement of \$349 million, and an expected aggregate error amount of \$105 million.¹⁵ Select a random attribute sample of 45 items from the population of prorated tax collections related to all excise taxes other than the AATF and the HTF.¹⁶

¹³ The \$106 million tolerable misstatement represents approximately 1 percent of the net excise tax revenue distributed to the AATF in fiscal year 2009. The expected aggregate error amount of \$32 million represents approximately 30 percent of the tolerable misstatement amount.

¹⁴ The planned sample size using MUS was 133 items. MUS selects dollars versus specific transaction items by dividing the population of prorated excise tax collections by dollar intervals. The dollar interval for AATF was \$38 million. Accordingly, any item with a dollar value equal to or exceeding the interval would be selected, whereas items less than the interval might not be selected. For example, an item of \$78 million would cover two dollar intervals, but represent one sample item. Because large-dollar items cover more than one interval, the 66 unique sampled transactions selected represented 133 dollar intervals.

¹⁵ The \$349 million tolerable misstatement represents approximately 1 percent of the net excise tax revenue distributed to the HTF in fiscal year 2009. The expected aggregate error amount of \$105 million represents approximately 30 percent of the tolerable misstatement amount.

¹⁶ For this sample, if no errors were found in performing procedures on the 45 items, we would be 90 percent confident that the error rate in the population would not exceed 5 percent.

Description of Findings and Results

Use of MUS with a confidence level of 80 percent, a tolerable misstatement of \$349 million, and an expected aggregate error amount of \$105 million resulted in a sample of 94¹⁷ prorated collections for the HTF for the first two quarters of fiscal year 2010.

A random attribute sample of 45 items was selected from the population of prorated tax collections related to all excise taxes other than the AATF and the HTF.

2. Procedures on transactions

(a) For each prorated excise tax collection sampled from the AATF population:

- Compare the assessment amount for the sampled item from the tax return to IRS's master file for agreement.

Description of Findings and Results

The assessment amount on the tax return agreed with the assessment amount recorded in IRS's master file for each of the 66 sampled items.

- Calculate the assessment amount on the tax return for the sampled item to determine whether it is mathematically correct.

Description of Findings and Results

The assessment amount on the tax return was mathematically correct for each of the 66 sampled items.

- Calculate the prorated collection amount for the sampled item based on information from IRS's master file and compare this amount to the amount in IRS's Collection Certification System audit files for agreement.

¹⁷The planned sample size using MUS was 142 items. As explained in footnote 14, MUS selects dollars instead of specific transaction items by dividing the population of prorated excise tax collections by dollar intervals. The dollar interval for HTF was \$127 million. Because large-dollar items cover more than one interval, the 94 unique sampled transactions selected represented 142 dollar intervals.

Description of Findings and Results

The independently calculated prorated collection amount agreed with the amount in IRS's Collection Certification System audit files for each of the 66 sampled items.

- (b) Inspect the tax returns and master file information for the two samples of prorated collections from the non-AATF populations to determine if they contain any AATF excise tax collections.

Description of Findings and Results

The two samples of prorated collections from the non-AATF populations did not contain any AATF excise tax collections.

- (c) Evaluate the results of conducting steps (a) and (b).

Description of Findings and Results

For the first two quarters of fiscal year 2010, the net most likely error was \$0 with an upper error limit of \$61 million at the 80 percent confidence level.

II. Procedures on IRS's Quarterly AATF Excise Tax Receipt Certifications

Perform the following procedures on IRS's AATF excise tax receipt certifications for the quarters ended September 30, 2009, December 31, 2009, March 31, 2010, and June 30, 2010:

- A. Inspect the certification letters for authorizing signatures.

Description of Findings and Results

The certification letters for all four quarters had authorizing signatures.

- B. Inspect the certification letters and supporting worksheets to determine if evidence exists that they were reviewed by the supervisor or another analyst.

Description of Findings and Results

There was evidence that the supervisor or another analyst reviewed the certification letters and supporting worksheets for all four quarters.

- C. Calculate the totals on the certification letters to determine if they are mathematically correct.

Description of Findings and Results

The totals on the certification letters for all four quarters were mathematically correct.

- D. Trace the certified amounts for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77)¹⁸ from the certification letters back to the *Report of Excise Tax Collection*¹⁹ and the *Treasury 90 Report*²⁰ for agreement.

Description of Findings and Results

The certified amounts for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77) from the certification letters agreed with the related *Report of Excise Tax Collection* and the *Treasury 90 Report* for all four quarters.

- E. Compare the distribution rates used by IRS for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77) for agreement with the applicable laws.

¹⁸The certified amounts for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77) made up over 96 percent of the total amount of excise tax receipts certified by IRS to the AATF for each quarter in fiscal year 2010.

¹⁹The *Report of Excise Tax Collection* is produced by the Collection Certification System. Collections are classified by abstract on the report when the related Form 720 tax return has been posted to IRS's master file during the processing interval covered by the report. IRS uses data from three of these reports, covering sequential processing intervals, for each quarterly certification. The three reports used may contain collections related to prior quarters that IRS certifies as part of the current quarter's collections because the related return was not posted to the master file until the processing intervals covered by these reports.

²⁰The *Treasury 90 Report* summarizes excise tax credit information and is produced quarterly by IRS service center campus systems. IRS has six service center campuses that receive and process tax returns and payments.

Description of Findings and Results

The distribution rates used by IRS for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77) agreed with the applicable laws in effect during all four quarters.

- F. Inspect the *Report of Excise Tax Collection* used in the certification to determine if it contains significant²¹ collections from prior quarters.

Description of Findings and Results

The *Report of Excise Tax Collection* used in the certification for all four quarters did not contain significant collections from prior quarters.

- G. For the quarter ended June 30, 2010, only, inquire with IRS whether any excise tax returns from its list of the largest excise taxpayers were omitted from the certification.²² For any such returns that were omitted but were subsequently received by IRS, report the total amount of AATF-related tax collections from these tax returns. For any such returns that were omitted and where IRS has not yet received these, report the average amount of AATF-related tax collections from the taxpayer(s) based on the previous four quarters.

Description of Findings and Results

According to IRS, no tax returns from its list of the largest excise taxpayers were omitted from its certification for the quarter ended June 30, 2010.

²¹For this procedure, “significant” is defined as \$55 million. This represents approximately 2 percent of the total amount of excise tax receipts IRS certified to the AATF for each quarter of fiscal year 2010.

²²IRS maintains a listing of approximately 150 taxpayers that comprise its largest excise taxpayers. To help ensure that tax return data for the largest excise taxpayers are included in each quarterly excise tax certification, IRS tracks the receipt of these returns and contacts these taxpayers when necessary.

III. Procedures on Financial Management Service Adjustments

Perform the following procedures on the Financial Management Service (FMS) adjustments to AATF excise tax distributions for the quarters ended September 30, 2009, December 31, 2009, March 31, 2010, and June 30, 2010:

- A. Calculate the FMS adjustment amounts based on the Office of Tax Analysis (OTA) transfer forms²³ and IRS certification letters to determine if they are mathematically correct.

Description of Findings and Results

The FMS adjustment amounts for all four quarters were mathematically correct. These amounts were²⁴

- (\$68,270,000) for the quarter ended September 30, 2009;
- (\$147,428,000) for the quarter ended December 31, 2009;
- \$53,720,000 for the quarter ended March 31, 2010; and
- \$211,151,000 for the quarter ended June 30, 2010.

IV. Procedures on Excise Tax Distributions to the AATF for the Quarter Ended September 30, 2010

- A. Determine if OTA prepares a tax rate table to capture information concerning tax rates, tax basis, accounts, and deposit rules in effect during the quarter ended September 30, 2010, and whether OTA uses this rate table in its trust fund estimates²⁵ for the quarter.

Description of Findings and Results

OTA prepared a tax rate table to capture information concerning tax rates, tax basis, accounts, and deposit rules in effect during the quarter. OTA used the rate table in preparing the five semimonthly estimates that affect fiscal year 2010 distributions to the AATF.

- B. Inspect the transfer forms and supporting schedules to determine if there is evidence of review.

²³The transfer forms denote the amounts estimated by OTA for transferring excise taxes to the trust funds.

²⁴A positive amount indicates that the FMS adjustment increased excise taxes distributed to the trust fund. A negative amount, shown in parentheses, indicates that the FMS adjustment decreased excise taxes distributed to the trust fund.

²⁵OTA makes semimonthly estimates of excise tax collections for transfer to trust funds. There are five semimonthly estimates for the quarter ended September 30, 2010, which affect fiscal year 2010 distributions to the AATF.

Description of Findings and Results

There was evidence that another OTA economist reviewed the transfer forms and supporting schedules affecting distributions from the general fund to the AATF for the quarter ended September 30, 2010.

- C. Calculate the totals on the transfer forms to determine if they are mathematically correct.

Description of Findings and Results

The totals on the transfer forms affecting distributions to the AATF for the quarter ended September 30, 2010, were mathematically correct.

- D. Trace the transfer amounts for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77)²⁶ from the transfer forms back to the related source documents²⁷ for agreement.

Description of Findings and Results

The transfer amounts for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77) from the transfer forms agreed with the related source documents for the quarter ended September 30, 2010.

²⁶The OTA estimated transfer amounts for tax on transportation of persons by air (abstract 26), tax on the use of international air travel facilities (abstract 27), tax on transportation of property by air (abstract 28), and tax on kerosene for use in commercial aviation (abstract 77) made up over 96 percent of the total amount transferred to the AATF for the fourth quarter of fiscal year 2010.

²⁷The source documents include the IRS report of excise taxes used to derive the percentages applied to reported receipts, the Daily Treasury Statement, the Monthly Treasury Statement, and the excise tax rate table.

V. Other Procedures

- A. Determine if IRS and OTA made adjustments to the AATF for tax on kerosene used in aviation during fiscal year 2010, and calculate the adjustment amounts to determine if they were mathematically correct.²⁸

Description of Findings and Results

Adjustments to the AATF for tax on kerosene used in aviation were made during fiscal year 2010 and were mathematically correct. These amounts were²⁹

- \$98,700,000 for the quarter ended September 30, 2009;
 - \$43,210,000 for the quarter ended December 31, 2009;
 - \$46,099,000 for the quarter ended March 31, 2010;
 - \$39,764,000 for the quarter ended June 30, 2010; and
 - \$86,866,000 for the quarter ended September 30, 2010.
- B. Using IRS's quarterly certifications, OTA's estimated distributions, and any adjustments, compile and report the amount of net excise taxes distributed to the AATF in fiscal year 2010.

Description of Findings and Results

Based on a compilation of IRS's quarterly certifications, OTA's estimations, and adjustments, the amount of net excise taxes that should have been distributed to the AATF in fiscal year 2010 was \$10,612,953,000.

(196215)

²⁸Section 11161 of Pub. L. No. 109-59 (Aug. 10, 2005), Treatment of Kerosene for Use in Aviation, taxes all kerosene taxpayers at the standard kerosene rate, unless a taxpayer had removed the kerosene from a refinery or terminal directly into an aircraft's fuel tank and thus qualified for the lower aviation kerosene tax rate. Amounts received under the standard kerosene tax are initially deposited in the HTF. If a taxpayer subsequently used the kerosene in aviation, the taxpayer is eligible for the lower tax rate associated with aviation kerosene and can request a refund. The amount of the kerosene tax collected from the taxpayer, net of refunds, is transferred from the HTF to the AATF.

²⁹The adjustments for the quarters ended September 30, 2009; December 31, 2009; March 31, 2010; and June 30, 2010, were included in the IRS receipt certifications, and the adjustment for the quarter ended September 30, 2010, was included in the OTA estimates. The adjustment amounts represent excise taxes transferred to the AATF from the HTF.

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