

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0100

Applications, Notices, and Permits Relative to Importation and Exportation of Distilled Spirits, Wine and Beer, Including Puerto Rico and the Virgin Islands

A. Justification

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection?

The importation and exportation of beverage and industrial alcohol, wine, and beer is closely monitored under provisions of the Internal Revenue Code (IRC). These provisions ensure that the proper tax is paid. Some of these taxes are subject to being reclaimed by the taxpayer, another reason these commodities are closely monitored. With regard to Puerto Rico and the Virgin Islands, the IRC also provides that some taxes on these commodities will be transferred to the treasuries of Puerto Rico and the Virgin Islands, which also necessitates close monitoring. Even though the exportation of the commodities are tax free, regulatory provisions are necessary to ensure that they are, in fact, exported. In addition, the IRC permits, under very specific circumstances, allow other tax-free dispositions of these commodities.

The data elements included in this request make it possible to trace the commodities using audit techniques, thus enabling our National Revenue Center to verify the payment of excise taxes, verify claims for refund of taxes, and calculate payments due the treasuries of Puerto Rico and the Virgin Islands. The provisions of the regulations contain the minimum amount of information necessary to maintain accountability within the system.

The following sections of law apply:

19 U.S.C. 1309,
26 U.S.C. 5033, 5055, 5056, 5062, 5214, 5223, 5301, 5314, 5362, and 7252.

The following sections of regulations in Title 27 CFR apply:

26.76, .82, .86, .94, .95, .96b, .105, .104, .105a, .108, .128, .193,
27.204,
28.22, .23, .36, .117, .132, .147, .162, .220a, .261 and .281.

2. How, by whom and for what purpose is this information used?

The data obtained or the permits granted in this request is necessary for the following reasons: 1) The records are used by our personnel during field tax compliance examinations to verify that all of the regulated commodities can be accounted for tax payment purposes, in regard to both quantity and rates. 2) Permits and authority to ship documents to notify U.S. Customs that it is authorized to release the commodities for shipment to the U.S. mainland. 3) The accountability is established for commodities transferred tax-free under provisions of the IRC. 4) Provisions are made for return and voluntary destructions of the commodities. 5) Due notice is given to the officials of the Virgin Islands and Puerto Rico that taxable commodities are being shipped to the U.S. Eliminating the information collection requirements would leave a significant gap in the audit trail by making it difficult or impossible to trace and verify transactions involved in these taxable commodities. Without this recordkeeping requirement, no recording of the data elements necessary to verify these transactions would be specific to the proprietor. We do not maintain centralized records of their use.

3. To what extent does this collection of information involve the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology? What consideration is given to use information technology to reduce burden?

We have approved and will continue to approve, on a case-by-case basis, the use of improved information technology for the maintenance of required records.

4. What efforts are used to identity duplication? Why can't any similar information already available be used or modified for use for the purposes described in Item 2 above?

We terminated the Federal Information Locator System (FILS) Program for agency use. However, we search an agency subject classification system to identify duplication. Similar information is not available from any other source.

5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?

The collection of information does not have a significant impact on small businesses.

6. What consequences to Federal program or policy activities and what, if any, technical or legal obstacles to reducing burden will occur if this collection is not conducted or is conducted less frequently?

This recordkeeping requirement is considered to be the minimum necessary to ensure compliance. The standards cannot be reduced on the basis of the size of the respondent. Less frequent collection of this information would pose jeopardy to the

revenue.

7. Are there any special circumstances associated with this information collection?

Respondents provide information only as often as necessary to comply with the statute and this recordkeeping requirement is consistent with the guidelines as specified in 5 CFR § 1320.6. No special information collection circumstances exist.

8. What effort was made to notify the general public about this collection of information?

A 60-day Federal Register notice was published for this information collection on Tuesday, May 2, 2006, 71 FR 25889. The notice solicited comments from the general public. TTB received no comments.

9. What decision was made to provide any payment or gift to respondents, other than reenumeration of contractors or grantees?

No payment or gift is associated with this collection.

10. What assurance of confidentiality was provided to respondents and what was the basis for the assurance in statute, regulations, or agency policy?

Titles 26 U.S.C. § 6103 and 5 U.S.C. § 552 protect the confidentiality of proprietary information obtained by the government from regulated individuals.

11. What justification is there for questions of a sensitive nature?

We do not ask questions of a sensitive nature in this collection.

12. What is the estimated hour burden of this collection of information?

There are no changes in burden from the previous submission. We estimate that it will take each entity 9 hours per year to compile the data and perform the requirements of these regulatory sections. Further, it is estimated that there will be 20 respondents per year. Therefore, there will be 180 burden hours. Records required to be kept under this approval shall be retained for three years.

$20 \text{ (respondents)} \times 1 \text{ (number of times filed annually)} = 20 \text{ (number of responses)} \times 9 \text{ hours (processing time)} = 180 \text{ (total burden hours)}$.

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?

No new costs associated with this collection.

14. What is the annualized cost to the Federal Government?

There is no annualized cost to the Federal Government associated with this collection.

15. What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?

There are no program changes or adjustments associated with this collection.

16. Outline plans for tabulation and publication for collections of information whose results will be published.

The results of this collection will not be published.

17. If seeking approval to not display the expiration date for OMB approval of this information collection, what are the reasons that the display would be inappropriate?

This does not apply. This is a recordkeeping requirement therefore there is no form on which to place an OMB expiration date.

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement. These records must be retained for 3 years.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.