

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0016

TTB Form 5120.24 Drawback on Wines Exported

**A. JUSTIFICATION**

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

The Internal Revenue Code of 1986, in 26 U.S.C. 5062, provides that exporters of taxpaid wine, may claim "drawback" in the amount of the federal tax that was found to have been paid or determined on such wine. Section 5062 authorizes the Secretary of the Treasury to prescribe regulations to administer allowance of drawback.

The regulations covering the use of this form are in 27 CFR 28.211, 27 CFR 28.212, 27 CFR 28.214 and 27 CFR 28.218.

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

The exporter who files TTB F 5120.24 may be a bonded wine cellar, taxpaid wine bottling house, or holder of a wholesaler's basic permit issued under the Federal Alcohol Administration Act. The exporter prepares TTB F 5120.24 once, then uses it to notify TTB of a shipment, to obtain certification from a Customs officer that the wine was exported, and finally to submit a claim for credit or refund of the tax.

TTB employees use the form to protect the revenue. Specifically, TTB employees at the National Revenue Center use the form filed by the exporter to assure that the wine is eligible for drawback and that proper evidence of exportation is submitted. TTB also uses the form to compute drawback and determine whether to issue a refund or a credit. TTB auditors or investigators may review the file copy of the form retained by the importer during an audit or investigation.

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?

TTB has approved and will continue to approve, on a case-by-case basis, the use of improved information technology for the collection and maintenance of required records. However, the Bureau does not believe that TTB F 5120.24 is adaptable to improved technological systems since each application provides information that is unique to the individual transaction.

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

The Federal Information Locator System (FILS) program has been terminated for agency use; however, TTB searches an agency subject classification system to identify any duplication. Similar information is not available elsewhere for this information collection requirement.

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 a substantial number of small businesses or other entities. All entities, regardless of size, must show proof of export in order to obtain drawback of tax. The requirement cannot be waived simply because the respondent's business is small.

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 collection provides supporting information to enable TTB to grant drawback of taxes. If the collection is not conducted, TTB can not protect the revenue or verify the exporter's eligibility for drawback.

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

The following special circumstances are associated with this information collection:

- a. Respondents complete this information only when a specific type of exportation occurs. Some exporters may have more than one such transaction in a calendar quarter, others have fewer or none.

b. Respondents must submit more than two copies of this form, as follows:

2 copies to Customs - one copy is returned to the exporter with export certification (and subsequently submitted to TTB) - and one copy is retained in the Customs officer's files.

1 copy to TTB before certification to notify TTB of the exportation

1 copy to TTB after certification by Customs in support of the claim for drawback.

In case of an exportation for supplies on an aircraft or vessel, an additional copy, designated the "consignee" copy, is given to the airline or shipping company. This form is certified and returned to the exporter when all the wine has been used and the exporter files it with TTB as evidence of export.

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, June 8, 2006, 71 FR 33334. 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?

No specific assurance of confidentiality is provided. 5 U.S.C. 552 and 26 U.S.C. 6103 protect the confidentiality of the information collected.

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

We ask no questions of a sensitive nature.

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

21 (respondents) X 4 (number of times filed annually) = 84 (number of responses)  
84 (responses) X 67 minutes (processing time) = 5,628/60 = 94 (total burden hours)

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

No new cost is associated with this collection.

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

There is no change in the cost to the Federal Government. The cost of \$3,086 includes the cost for printing, distribution, clerical cost and salaries (review, supervisory, etc.).

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

This is a reinstatement request therefore there is a program change to account for the new burden hours in Item 13.

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

We will not publish the results of this collection.

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?

We will display the expiration date of OMB approval for this collection.

18. What are the exceptions to the certification statement?

(c) As noted in the response to item 5, the requirement is the same for small entities. Otherwise, there are no other exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods**

This collection does not employ statistical methods.