

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Requirement

OMB Control Number 1513-0044

TTB F 5110.34 - Notice of Change in Status of Plant

A. Justification

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

A distilled spirits plant (DSP) is a delineated piece of property, covered by a bond, on which the law allows only certain activities to be conducted (26 U.S.C. 5178). To give the proprietor flexibility in the use of the premises and equipment, TTB regulations allow the proprietor to change the status of the plant (as described in (1), (2), (3), and (4), below). This is in lieu of a requirement to have separate premises and separate equipment for each different operation.

The following regulations provide for the submission of TTB F 5110.34 when DSP premises are to be alternated, as to use, for and by different proprietors (including Customs use): 27 CFR 19.201, 19.202, 19.203, 19.204, and 19.205. Section 19.311 provides for notice of the commencement or suspension of production operations.

TTB F 5110.34 provides TTB with advance notification of a pending change in the status of operations at a DSP. Notification is required for the following types of changes:

- (1) from production to non-production status and vice versa;
- (2) from operation by one proprietor to operation by another proprietor;
- (3) from Internal Revenue bonded status to Customs bonded status or for use by Customs officers to gauge imported distilled spirits, and vice versa; and
- (4) from a DSP to a bonded winery, a taxpaid wine bottling house, or a manufacturer of nonbeverage products, and vice versa.

With regard to (1) above, it should be noted that notification in writing is required by law (26 U.S. C. 5221(a)).

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

TTB F 5110.34 provides the Bureau with information concerning the current status of the premises, i.e., whether a DSP, bonded winery, etc. which, in turn, determines what activities may legally be conducted thereon, and the type and extent of the bond required. To permit a change in status without making these checks would jeopardize the revenue. Furthermore, TTB F 5110.34 provides TTB with valuable information when making field visits to a DSP. If TTB is aware that a plant, or portion of a plant, is currently in bonded winery status, the agency knows that distilled spirits are not permitted on the premises. As such, the Bureau would be in a position to recognize a potential violation that might otherwise be overlooked.

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 technology for the collection and maintenance of required information.

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, we use an agency subject classification system to identify 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?

This information collection is required to protect the revenue and is considered to be the minimum necessary to ensure compliance with existing statutes and regulations. In order to simplify the notification requirement and minimize the burden on all taxpayers, TTB uses a single form to cover a number of different status changes.

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?

Without the information that TTB F 5110.34 provides, the proper administration of the tax codes and the collection of the revenue would be jeopardized. TTB would be unable to know, short of costly and constant field supervision, the current status of a given plant and thus unable to know whether the proprietor was qualified to conduct particular operations, the sufficiency of the bond coverage, or whether a given

situation was legal. Respondents complete this information collection requirement only as necessary to comply with statutes and regulations.

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

There are no special circumstances associated with this collection.

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

A 60-day notice was published in the Federal Register (72 FR 51904) on Tuesday, September 11, 2007. The notice solicited comments from the general public. TTB received no comments in response to this notice.

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 information 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; however, 26 U.S.C. 6103 protects 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?

The number of respondents (100) and the number of forms filed annually (10) by each are based on historical data provided by field personnel who audit and process this form. We estimate that each request requires 1 hour to prepare.

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

No cost is associated with this collection.

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

Estimates of annual cost to the Federal government are as follows:

| | |
|--|---------------|
| Printing | \$ 830.00 |
| Distribution | 180.00 |
| Clerical Cost | 80.00 |
| Other Salary (review supervisory, etc.) | <u>340.00</u> |
| Total | \$1,430.00 |

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?

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

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.