

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0043

TTB Form 5110.31 Application and Permit to Ship Puerto Rican Spirits to the United States Without Payment of Tax

A. JUSTIFICATION

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

Section 7652 of the Internal Revenue Code (26 U.S.C. 7652) imposes tax on Puerto Rican spirits shipped to the United States (U.S.) for consumption or sale. TTB F 5110.31 documents and certifies the shipment of Puerto Rican spirits to the U.S., as authorized by 26 U.S.C. 5314 and 26 U.S.C. 5232. 26 U.S.C. 5232 provides that distilled spirits imported or brought into the U.S. in bulk containers may be withdrawn from Customs custody and transferred to the bonded premises of a distilled spirits plant without payment of tax. The Puerto Rican shipper before shipping spirits to the U.S. must make an application identifying the shipment.

The regulations that authorize this information collection requirement are:

27 CFR 26.199(a)

27 CFR 26.199(c)

27 CFR 26.199(f)

27 CFR 26.199(b)

27 CFR 26.199(d)

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

The information collected on TTB F 5110.31 provides a uniform format to identify spirits brought into the U.S. from Puerto Rico without payment of tax. The form also identifies the consignor and the consignee. The information contained on TTB F 5110.31 verifies the fact that the distilled spirits from Puerto Rico were shipped from one bonded premise (PR) to another bonded premise (U.S.), in bond. The form was established to prevent jeopardy to the revenue derived from spirits shipments and to provide accountability for transfer of payments to the Puerto Rican Government.

If TTB F 5110.31 did not exist there would be no means by which to determine whether or not the distilled spirits were being shipped under bond (non-bonded distilled spirits would be taxpaid upon removal from Customs custody) and in fact that such distilled spirits are from Puerto Rico.

TTB F 5110.31 ensures that the distilled spirits are covered by a bond and therefore that no jeopardy to the revenue has occurred. The form is also a means of tracing the origin of distilled spirits to Puerto Rico. The taxes on Puerto Rican distilled spirits, processed in distilled spirits plants in the U.S. and sold domestically are covered back to the Treasury of the insular Government of Puerto Rico.

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 approved and will continue to approve, on a case-by-case basis, the use of improved technology.

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?

TTB F 5110.31 collects information that is pertinent to each respondent and applicable to the specific operations of each applicant. As far as we can determine, similar information is not available any where else.

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

All entities, regardless of size, are required by statute and by regulations to complete this form. As this information collection requirement is necessary to protect the revenue, it 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 application is necessary to ensure that operations of a shipper are conducted in compliance with statutes and regulations and to protect the revenue. Not conducting the collection or collecting the information less frequently would pose a jeopardy to the revenue.

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

There are no special circumstances associated with this information collection.

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 Thursday, September 4, 2008, 73 FR 51699. 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 on this form. 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?

Completion of this form should take the respondent an average of approximately 45 minutes. Prior experience indicates that 20 respondents complete this form. On the average each shipper completes 50 forms per year. Total burden hours are 750.

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?

There is no cost to the Federal Government.

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

There is no program change or adjustment associated with this collection.

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?

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.