

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0051

TTB F 5110.74 Application For an Alcohol Fuel Producer under 26 U.S.C. 5181

A. JUSTIFICATION

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

This information collection requirement is used to establish the qualifications of persons who wish to produce alcohol for fuel purposes as permitted under 26 U.S.C. 5181. While 26 U.S.C. 5181 simplifies the distilled spirits qualification procedures for persons wishing to produce alcohol for fuel use, it specifically prohibits the Secretary of Treasury from waiving any provision requiring the payment of tax. This means that persons who produce alcohol for fuel use, like all other distillers of alcohol are liable for the tax on spirits they produce and store. 26 U.S.C. 5181 does not differentiate between persons producing fuel alcohol for their own use and those producing it for other purposes. As a consequence, such persons are subject to the same legal requirements and restrictions as any other person making application on TTB F 5110.74. It should be noted that the statutes concerning distilled spirits differ from those pertaining to wine and beer, for there are no provisions to allow for production of distilled spirits for personal consumption as there are for wine and beer. Wine and beer may be produced, subject to specific quantity limitations, without payment of tax, for personal and family use.

This collection is authorized by statute, 26 U.S.C. 5181, and is prescribed in the following regulations:

27 CFR 19.910	27 CFR 19.916	27 CFR 19.921	27 CFR 19.925
27 CFR 19.912	27 CFR 19.919	27 CFR 19.922	27 CFR 19.926
27 CFR 19.914	27 CFR 19.920	27 CFR 19.924	27 CFR 19.930.
27 CFR 19.915			

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

Each producer of alcohol fuel is required to submit TTB F 5110.74 to the Director, National Revenue Center. TTB specialists analyze each application to determine whether the producer meets the qualification standards set forth in 26 U.S.C. 5181. For example, item 13 of TTB F 5110.74 lets TTB determine whether the proprietor has provided security adequate to protect the revenue. This is important in the case of large producers because of their large tax liabilities. This is also important in the case of small producers because they are not required to be covered by a bond.

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 information.

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?

TTB F 5110.74 collects information that is pertinent to each respondent and applicable to his/her specific qualifications. 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?

TTB considers all of the information requested on TTB F 5110.74 to be essential to the effective monitoring of alcohol fuel plant operations, and therefore, has made no special provisions for small businesses. However, since small alcohol fuel plants have to provide limited information, their proprietors would spend considerably less time completing the form than proprietors of large alcohol fuel plants.

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 TTB F 5110.74, TTB would have no means, other than field audits, to monitor alcohol fuel plant operations. Given TTB's limited manpower, this would result in an increase in jeopardy to distilled spirits tax revenues and

a decrease in the amount of protection afforded the consumer by TTB's monitoring of alcohol fuel production practices.

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 (73 FR 64397) on Wednesday, October 29, 2008. 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 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; however, the confidentiality of the information collected on this form is protected by 26 U.S.C. 6103.

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 burden for this information collection has been determined by information provided by TTB regional staff on the number of persons authorized to operate and the number of forms that are submitted. TTB estimates that it takes each of the 219 proprietors an average of 1.8 hours to complete TTB F 5110.74. This form is completed once annually. The total burden hours are 394.

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?

The annual Federal Government cost is estimated at \$16,933. This includes the printing, distribution, clerical and other salary costs.

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

No program changes or adjustments are 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 not to 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.