

DEPARTMENT OF THE TREASURY

ALCOHOL TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0122

TTB F 5100.51 Formula and Process for Domestic and Imported Alcohol Beverages

A. JUSTIFICATION

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

A. Regulations directing operations by proprietors of domestic distilled spirits plants, wineries, or breweries are found in 27 CFR Parts 19, 24, and 25, respectively. These regulations include rules for making standard products of each commodity. These standard products may be made without special approval. However, if a proprietor wishes to make a product that is different from the standard products allowed under the applicable regulations, the proprietor must obtain formula approval, using TTB F 5100.51, Formula and Process for Domestic and Imported Alcohol Beverages. On this form, the proprietor must describe in detail the ingredients and the process used to make the product.

B. For wine, the Internal Revenue Code contains a specific formula requirement in 26 U.S.C. 5386 for special natural wines. 26 U.S.C. 5361, 5362(d), 5387, and 5388(b) authorize the Secretary of the Treasury to issue regulations covering production of wines other than natural wines. Persons in Puerto Rico and the Virgin Islands are also required to submit formulas to TTB for wine products shipped to the United States. Formula requirements are prescribed in the following regulations:

27 CFR 24.80	27 CFR 24.192	27 CFR 24.211
27 CFR 24.81	27 CFR 24.195	27 CFR 24.214
27 CFR 24.82	27 CFR 24.196	27 CFR 26.50(b)
27 CFR 24.86	27 CFR 24.198	27 CFR 26.220(b).
27 CFR 24.87	27 CFR 24.201	

C. For distilled spirits, whenever the proprietor intends to blend, mix, purify, refine, compound, or treat spirits in a manner which results in a change in character, composition, class, or type of the spirits, such process cannot be conducted by the proprietor until a formula is submitted to and approved by TTB. The formula, filed on TTB F 5100.51, must list all ingredients, and in some cases the process used. Formula requirements and a description of the processing requirements that can change character, composition, class, or types of spirits are listed in 27 CFR Part 5. Persons in Puerto Rico and the Virgin Islands are required to submit formulas to TTB for distilled spirits products shipped to the United States.

For distilled spirits, the statutes that authorize the collection of information contained in TTB F 5100.51 are found at 27 U.S.C 205(e) and 26 U.S.C. 5222, 5223, 5232, and 5555. Formula requirements for spirits are found in the following regulations:

27 CFR 5.26	27 CFR 19.324	27 CFR 26.197
27 CFR 5.27	27 CFR 26.50(a)	27 CFR 26.220(a)
27 CFR 5.28	27 CFR 26.54	27 CFR 26.224.

D. Standard beers made without flavoring ingredients or without using unusual processes do not require the submission and approval of formulas prior to their production. Brewers may also develop new products without filing formulas, but they must file formulas and receive TTB approval prior to marketing products that require formula approval.

The Internal Revenue Code, 26 U.S.C. 5401 and 5555, give the Secretary authority to require brewers to file returns and reports, including formulas. Regulations in 27 CFR Part 25 requires brewers to submit formulas to TTB for approval prior to making certain fermented products at the brewery. Formula products include sake, fermented products that contain flavoring or coloring materials, and fermented products that undergo processing that substantially changes the character of the product. As of January 3, 2006, brewers file a formula for this activity, and must file this formula using the TTB F 5100.51 rather than the letterhead statement previously used. Brewers must list all ingredients, quantities of ingredients used, flavors and other materials containing alcohol, and the alcohol contribution to the finished fermented product derived from these alcohol ingredients. Brewers must also describe unusual processes used in manufacturing fermented products. Formula requirements for fermented brewery products are found in the following regulations:

27 CFR 25.53	27 CFR 25.56	27 CFR 25.58.
27 CFR 25.55	27 CFR 25.57	

E. Section 105(e) of the Federal Alcohol Administration Act (27 U.S.C. 205(e)) gives the Secretary of the Treasury the authority to issue regulations to prohibit deception of the consumer and provide the consumer with adequate information as to the identity and quality of alcohol beverages. Domestic producers and importers file applications for certificates of label approval under the FAA Act and 27 CFR Parts 4, 5, 7, and 13 on TTB F 5100.31, Application for and Certification/Exemption of Label/Bottle Approval (OMB Control Number 1513-0020). As a part of the process for obtaining an approved TTB F 5100.31, TTB may request an importer to submit a formula on TTB F 5100.51 for an imported alcohol beverage. Regulations authorizing TTB to request formulas for imported alcohol beverage products are contained in:

27 CFR 5.51

27 CFR 7.31.

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

The information received through the submission of TTB F 5100.51 allows TTB to determine if the applicant meets the requirements for the production or importation of the product for which they are applying. Production or importation may not occur if TTB does not approve the formula or process. The information is also used by TTB in deciding whether to issue a Certificate of Label Approval on TTB F 5100.31.

We review formulas on TTB F 5100.51 to determine:

- If the proposed ingredients are safe for human consumption (that is, all ingredients are U.S. FDA approved for food and beverage use),
- If approved production techniques are used,
- The applicable tax rate,
- The proper class and type of the alcohol beverage and the appropriate label designation of the product, and
- In the case of nonbeverage wine (withdrawn free of tax under the provision of 26 U.S.C. 5362(d)), that the wine has been rendered nonbeverage.

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 is currently working on methodology to facilitate the electronic submission of applications and will implement such procedures as soon as is feasible. TTB will approve the use of improved information technology on a case-by-case basis.

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 5100.51 collects information that is pertinent to each respondent and applicable to his/her specific formula. 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?

The collection will not have a significant impact on small entities. Specific information is required before TTB could issue authorization for an otherwise prohibited activity, regardless of the applicant's size.

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?

By not collecting the information contained in this form, TTB could not correctly classify an alcohol beverage and ensure that it is safe for consumption and subject to the proper rate of tax. Further, applicants would not be issued certain label approvals since the collected information is required on the label application itself in order for the label to be approved.

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 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 decision to provide any payment or gift is associated with this collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or policy.

The information collected on this form is considered confidential tax information and protected by 26 U.S.C. 6103 and 5 U.S.C. 552.

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 annual burden is computed as follows: there are 1,000 respondents that complete this form 4 times per year. Four thousand formulas are received annually and these formulas require on average 2 hours to complete, resulting in an annual burden of 8,000 hours for this information collection.

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

There is no cost associated with this collection.

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

There is no annualized cost to the Federal Government.

15. Provide the reasons for any program changes or adjustments reported in items 13 or 14 of OMB 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 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.