

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Requirement

OMB Control Number 1513-0025

TTB F 5200.11 - Notice of Release of Tobacco Products, Cigarette Papers, or
Cigarette Tubes

A. Justification

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

26 U. S. C. 5704(c) and (d) provide for the release of tobacco products and cigarette papers and tubes brought into the U.S. from Customs custody. This law specifically provides for the release of such articles without payment of tax or without payment of that part of the duty attributable to the internal revenue tax. The articles must be delivered to a manufacturer or proprietor. The regulatory requirements for these actions are 27 CFR 41.85, 41.85a, and 41.86.

TTB F 5200.11 documents the removal of tobacco products, cigarette papers, and cigarette tubes without payment of tax from Customs custody, or certain returns to manufacturers of tobacco products or cigarette papers and tubes (manufacturer(s)) and export warehouse proprietors (proprietor(s)). The form identifies the establishment that is responsible for the tax, and for the tobacco products or cigarette papers and tubes released from Customs custody.

26 U.S.C. 5704(b) allows removals of tobacco products and cigarette papers and tubes from manufacturers and proprietors for use of the United States. Such shipments are documented on TTB F 5200.14. However, returns of any of these articles to the manufacturer or proprietor are not documented on this TTB form. TTB F 5200.11 may be used to document these transactions, for example, a U.S. naval vessel returning to port and returning unused supplies (see 27 CFR 45.33 and 45.51(b)).

This information collection is aligned with:

Treasury Strategic Goal: Effectively Manage US Government Finances.

Line of Business/Sub-function: General Government/Taxation Management.

IT Investment: Tax Major Application Systems. None.

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

TTB F 5200.11 contains a certification to be signed by an appropriate Alcohol and Tobacco Tax and Trade (TTB) officer authorizing the import warehouse proprietor or manufacturer to receive nontaxpaid articles before the articles are release from Customs custody. This form identifies the articles involved for tax purposes and ensures that the transaction is lawful. TTB verifies that the manufacturer or proprietor is legally eligible to receive nontaxpaid articles, to prevent release to an entity not legally authorized to receive such articles. In addition, these completed forms establish a basis for auditing the movement of bonded articles for TTB and U.S. Customs personnel.

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 encourages the use of technological advances to collect, store, and retrieve this information. 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?

This information collection requirement is unique to the subject manufacturer or proprietor. In addition, the form contains a certification that is signed by the appropriate TTB officer, and the signature of the person releasing the articles. As far as we can determine, similar information is not available elsewhere.

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

The completion of TTB F 5200.11 is necessary to protect the revenue and applies to all applicable persons regardless of size. Lessening the burden on small businesses or other small entities would result in greater risk to the revenue.

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 this information collection, there would be jeopardy to the revenue. Without this information, TTB would be unable to verify that the manufacturer or proprietor is

legally eligible to receive nontaxpaid articles, resulting in the release of articles to an entity not legally authorized to receive such articles. This form identifies the articles involved for tax purposes and ensures that the transaction is completed consistent with applicable regulations. Finally, TTB and U.S. Customs personnel would be unable to audit the movement of bonded articles.

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 Federal Register notice was published for this information collection on Tuesday, September 28, 2010, at 75 FR 59797. 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 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?

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 number of respondents (268) and the number of forms filed annually (8) by each are based on historical data provided by field personnel who audit and process this form. We estimate that each request requires 15 minutes to prepare.

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

Estimated cost to respondents-

| | | |
|--------|----|-------|
| Salary | \$ | 5,500 |
|--------|----|-------|

| | |
|-----------------------------|------------|
| Clerical (Storing & Filing) | 250 |
| Overhead | <u>575</u> |
| Total | \$ 6,325 |

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

The printing, distribution, clerical, and administrative costs to the Federal Government for TTB F 5200.11 are estimated at \$2,040.

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.