

DEPARTMENT OF THE TREASURY

ALCOHOL TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0006

TTB F 5520.3 Applications - Volatile Fruit-Flavor Concentrate Plants, TTB REC 5520/2

A. JUSTIFICATION

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection? Also include the following: Align the information collection to Treasury's Strategic Goals, Line of Business/Sub-function, and IT Investment, if one is used.

26 U.S.C. 5511 authorizes the Secretary to prescribe regulations requiring manufacturers of volatile fruit-flavor concentrates to file applications. With this statutory authority as its basis,

27 CFR 18.21 requires such persons to submit an application for registration on TTB F 5520.3.

27 CFR 18.21 requires a person who desires to engage in the business of manufacturing concentrate to submit an application for registration on TTB F 5520.3 and receive approval of such application. 27 CFR 18.24 describes some of the data required on the application and 27 CFR 18.25 describes organizational documents required to be submitted with the application.

27 CFR 18.31 - Where there is a change with respect to the information shown in the application, the proprietor is required to submit, within 30 days of the change (except as otherwise required by regulations), an amended application on TTB F 5520.3. These changes might be:

- 27 CFR 18.32 Change in name
- 27 CFR 18.33 Change in location.
- 27 CFR 18.34 Continuing partnership.
- 27 CFR 18.35 Change in proprietorship.
- 27 CFR 18.36 Change in officers and directors.
- 27 CFR 18.37 Change in stockholders.
- 27 CFR 18.38 Permanent discontinuance.

Information collected on letterhead applications concerns volatile fruit-flavor concentrate plant operations not covered by the application for registration. These activities include conducting other business on plant premises (18.22(b)); using methods of operation other than those set out in regulations (18.13(b), 18.14(b), and 18.27); or a request for classification (as fit or unfit for beverage use) of a concentrate (18.52(b)). Letterhead applications allow TTB to determine if the plant is being operated in conformity with law and regulations.

27 CFR 18.22(b) - A person who wants to establish a concentrate plant on premises where other business is conducted or use the premises of a concentrate plant to conduct other business is required to submit an application to the Director, National Revenue Center and receive approval of such application.

27 CFR 18.27 - In order to protect the revenue, the Director, National Revenue Center may require additional information in support of an application for registration, as well as installation of security devices and operational equipment, and marks on equipment.

27 CFR 18.13(b) - A proprietor who desires to employ an alternate method or procedure is required to submit a written application to the Director, Regulations and Rulings Division describing the proposed alternate method or procedure.

27 CFR 18.14(b) - A proprietor who desires to employ emergency variations from regulations is required to submit a written application describing the proposed variations to the Director, Regulations and Rulings Division.

27 CFR 18.52(b) - The proprietor may at any time submit a written request to the Chief, Nonbeverage Products Laboratory for a determination of whether a concentrate is unfit for beverage use.

27 CFR - 18.17 - The proprietor is required to maintain a file of all approved applications and other documents, on or convenient to the concentrate plant premises, available for inspection by TTB officers.

27 CFR 18.61 – The proprietor will retain records and reports for 3 years from the date prepared, or 3 years from the date of the last entry, whichever is later.

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.

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

The information collected on TTB F 5520.3 is minimal; it identifies the manufacturer, the location of his/her principal place of business and of his/her plant, the stills that he/she owns, and the persons connected with the business. The information that the applicant provides on TTB F 5520.3 about his/her distilling equipment satisfies the statutory and regulatory requirement to register stills (26 U.S.C. 5179 and 27 CFR 18.23).

The information on TTB F 5520.3 is used by TTB's National Revenue Center to identify those persons engaged in the business of manufacturing volatile fruit-flavor concentrates and the place of manufacture. Subsequent to original qualification, manufacturers are required to use the form to report any changes that affect the accuracy of forms (TTB F 5520.3) previously submitted.

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?

We have approved and will continue to approve on a case-by-case basis, the use of improved information technology for the submission of the application and the maintenance of required records.

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 5520.3 and the applicable records contain information collected that is pertinent to each respondent and applicable to the specific issue of establishing a volatile fruit-flavor concentrate plant. 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?

All entities, regardless of size, are required by statute to submit an application to establish a volatile fruit-flavor concentrate plant. Waiver or reduction of this requirement, simply because the respondent's business is small, would jeopardize 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?

If we were to discontinue this collection, we would have no means of identifying persons manufacturing volatile fruit-flavor concentrates. These products generally have a high alcoholic content and unless they are produced and sold in accordance with legal requirements, they are subject to tax. It is to protect this potential revenue that we must identify these persons.

TTB has no control over the frequency of submissions. Respondents submit the information only as often as is necessary to comply with law and regulations.

7. Are there any special circumstances associated with this information collection that would require it to be conducted in a manner inconsistent with OMB guidelines?

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? Summarize the public comments that were received and describe the action taken by the agency in response to those comments.

A 60-day Federal Register notice was published for this information collection on Monday, June 09, 2011, 76 FR 33811. 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 remuneration 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 for this information collection requirement. The confidentiality of information appearing on this form is protected by 26 U.S.C. 6103.

11. What justification is there for questions of a sensitive nature?

No questions of a sensitive nature are asked.

12. What is the estimated hour burden of this collection of information?

There are 80 respondents that complete this form and maintain the applicable records once. It takes each respondent 2 hours to complete this form and assemble the applicable records. As a result, the estimated burden is 160 hours.

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information (excluding the value of the burden hours in Question 12 above?)

There is no cost associated with this collection.

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

Estimates of annualized cost to the Federal Government are as follows:

Printing	\$ 60.00
Distribution	\$ 20.00
Clerical Costs	\$ 50.00
Other salary (review, supervisory, other)	<u>\$100.00</u>
Total Cost	\$230.00

15. What is the reason for any program changes or adjustments reported?

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 of information 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?

- (c) See item 5 above
- (i) No statistical survey methodology is involved
- (j) See item 3 above

**B. Collections of Information Employing Statistical Methods.**

This collection does not employ statistical methods.