

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0092

TTB REC 5120/3 Marks on Wine Containers

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.

This submission covers the requirements to obtain or compile information for the purpose of marking wine containers on wine premises with identifying information. TTB is responsible for the collection of tax on distilled spirits, wine, and beer. In conjunction with that function, TTB uses label information to affirm the proper collection of the revenue.

The Internal Revenue Code provides for marking certain equipment and containers on wine premises under the authority of 26 U.S.C. 5357, 5368, and 5388.

The regulations prescribing information that must appear on tanks, puncheons, and similar bulk containers derives from the primary purpose of revenue protection. Reasonable assurances that the Federal excise taxes imposed on wine will be properly collected are dependent on a system of accountability that includes controls over product identity. The prescribed marks for the wine tanks and other bulk wine containers ensure the proper identification of their contents, thereby precluding errors in accountability and assuring accurate product identification for revenue collection purposes.

The regulations prescribing information that must appear on bottles, cases, and containers ensure that the Federal excise taxes imposed on wine will be collected. The marks on bottles, cases, and containers identify the products to protect the Federal government's revenue interest. The accurate labeling of wine bottles identifies the products at the time of their removal from bond coverage and helps ensure that the correct excise tax will be collected.

This submission covers the regulations contained under 27 CFR:

24.96	24.168	24.215	24.256	24.260.
24.97	24.213	24.218	24.257	
24.115	24.214	24.255	24.259	

This information collection is aligned with:

Treasury Strategic Goal: US & World Economies Perform at Full Performance Potential.

Line of Business/Sub-function: Law Enforcement/Substance Control.

IT Investment: Regulatory Major Application Systems.

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

TTB uses the markings on wine containers to validate the correctness of the related revenue collected by comparing this information with that contained in records maintained by the proprietors.

The marking requirements for cases and unlabeled bottles for aging wine are the minimum requirements necessary to identify the products for the purpose of revenue protection. The labeling information that TTB requires is the type of identifying information customarily used in marketing consumer commodities. In addition to revenue protection, the labeling information helps to control the storage movement of products through distribution channels.

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 case-by-case bases, the use of any improved technology to comply with the requirements for marking wine containers.

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?

The marks on containers are specific to the content of each container. 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 collection of information does not have a significant impact on a substantial number of small businesses or other entities. TTB does not believe that bottlers and importers expend any more time collecting information to satisfy this information collection requirement than they normally would spend in the absence of regulatory requirements. The required information is available through normal cost and quality control functions in most companies. Regardless of the size of the entity, the markings required by this information collection are necessary to protect the revenue. This requirement 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?

Less frequent collection of this information would pose jeopardy to the revenue and to the product integrity of wine, resulting in distribution of an incorrectly identified product. These marking requirements are considered to be the minimum necessary to ensure that appropriate taxes are paid.

7. Are there any special circumstances associated with the 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 provided to respondents.

10. What assurance of confidentiality was provided to respondents and what was the basis for the assurance in statute, regulations, or agency policy?

These markings are applied on the premises or otherwise under the control of the regulated individual.

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?

TTB believes that affected members of the wine industry (1,560) do not expend any effort collecting information to prepare the statements made in marking wine containers. All of the required information is drawn from cost accounting records maintained to establish the price of each product. Manufacturers on all products maintain these records even in the absence of marking requirements. Therefore, the total annual burden is 1 hour for the aggregate of respondents.

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)?

No cost is associated with this collection.

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

There is no annualized cost to the Federal Government associated with this collection.

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

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?

It would be inappropriate to display the expiration date for OMB approval because these markings are affixed to containers by the respondent, and unlike a form, there is no medium for us to display the date.

18. What are the exceptions to the certification statement?

- (c) See item 5 above
- (f) This is not a recordkeeping requirement
- (i) No statistical survey methodology is involved
- (j) See item 3 above

B. Collection of Information Employing Statistical Methods.

This collection of information does not employ statistical methods.