

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0026

TTB F 5620.7 Claim for Drawback of Tax on Tobacco Products, Cigarette Papers, and 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? 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.

The Internal Revenue Code of 1986 at 26 U.S.C. 5706 provides for the drawback of tax paid on tobacco products and cigarette papers and tubes when shipped from the United States, in accordance with regulations and bond requirements established by regulation. The drawback provisions appear in the TTB regulations at 27 CFR 44.221 through 44.232, under which an exporter of tobacco products or cigarette papers or tubes, who paid taxes on the products, may claim drawback of tax by complying with requirements, including the filing of a claim on TTB F 5620.7.

Under the applicable regulations, an exporter must file a TTB F 5620.7 in sufficient time to permit the appropriate TTB officer to inspect the articles and supervise the affixture of a label or notice on them. When the TTB officer is satisfied that the articles have in fact been taxpaid and each package bears the label or notice required by 27 CFR 44.222, then the TTB inspector supervises the packing of the articles into shipping containers and releases the shipment to the claimant for delivery to the port of exportation. The claimant must file two copies of the TTB F 5620.7 with the district director of customs at the port of exportation in sufficient time to allow custom inspection and supervision of lading. If the export takes place by parcel post, the postmaster executes the certification of mailing on the claim form, in place of the actions of the district director of customs. Each claimant agrees in the bond filed by him that he will furnish, within a reasonable time, evidence satisfactory that the articles exported were actually delivered outside of the United States.

Those implementing regulations regarding drawback are found in:

27 CFR 44.221	27 CFR 44.225	27 CFR 44.229
27 CFR 44.222	27 CFR 44.226	27 CFR 44.230
27 CFR 44.223	27 CFR 44.227	27 CFR 44.231
27 CFR 44.224	27 CFR 44.228	27 CFR 44.232

This information collection is aligned with:

Treasury Strategic Goal: Effectively Manage U.S. 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?

TTB collects this information to ensure that drawback of tax is only provided to those statutorily eligible to claim it. Under this information collection, TTB ensures that manufacturers and importers maintain accountability for the revenue with regard to tobacco products and cigarette papers and tubes exported with drawback of tax. TTB uses the proof of exportation to ensure that the tobacco products and cigarette papers and tubes actually landed outside of the United States and to maintain accountability over that which drawback is claimed.

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.

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 5620.7 collects information that is pertinent to each respondent and applicable to his/her specific claim. The landing certification pertains to each claim. A specific format is not prescribed and a certificate or other document generated for other purposes may be sufficient to meet this requirement.

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 to complete this information collection requirement since failure to collect the information jeopardizes the revenue. This information collection 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?

Respondents complete this information only as often as necessary to comply with the statute. Not collecting this information or collecting the information less frequently would jeopardize the revenue.

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 Tuesday, December 27, 2011, 76 FR 81016. The notice solicited comments from the general public. TTB received 00 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 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. 26 U.S.C. 6103 protects the confidentiality of the information collected.

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 (288) and the number of forms filed annually (1) by each are based on historical data provided by field office personnel who process this form. It takes each respondent 30 minutes to complete this form. The total burden is 144 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)?

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?

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?

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

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.