

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0051

TTB F 5110.74 Application For an Alcohol Fuel Producer under 26 U.S.C. 5181

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.

Changes in this supporting statement and form reflect changes to section numbers as recodified in the final rule for the revision of part 19 of the TTB regulations. (See TTB Notice No. 83)

This information collection requirement is used to establish the qualifications of persons who wish to produce alcohol for fuel purposes as permitted under 26 U.S.C. 5181. While 26 U.S.C. 5181 simplifies the distilled spirits qualification procedures for persons wishing to produce alcohol for fuel use, it specifically prohibits the Secretary of Treasury from waiving any provision requiring the payment of tax. This means that persons who produce alcohol for fuel use, like all other distillers of alcohol are liable for the tax on spirits they produce and store. 26 U.S.C. 5181 does not differentiate between persons producing fuel alcohol for their own use and those producing it for other purposes. As a consequence, such persons are subject to the same legal requirements and restrictions as any other person making application on TTB F 5110.74. It should be noted that the statutes concerning distilled spirits differ from those pertaining to wine and beer, for there are no provisions to allow for production of distilled spirits for personal consumption as there are for wine and beer. Wine and beer may be produced, subject to specific quantity limitations, without payment of tax, for personal and family use.

This collection is authorized by statute, 26 U.S.C. 5181, and is prescribed in the following regulations:

27 CFR 19.673	27 CFR 19.680	27 CFR 19.685	27 CFR 19.689.
27 CFR 19.675	27 CFR 19.683	27 CFR 19.686	27 CFR 19.690
27 CFR 19.676	27 CFR 19.684	27 CFR 19.688	27 CFR 19.692
27 CFR 19.677			

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: Tax Major Application Systems.

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

Each producer of alcohol fuel is required to submit TTB F 5110.74 to the Director, National Revenue Center. TTB specialists analyze each application to determine whether the producer meets the qualification standards set forth in 26 U.S.C. 5181. .

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?

This collection of information is included in our Permits ON Line (PONL) system, that allows for the electronic submission of applications and all of the supplementary forms that are needed to apply for a permit. The electronic submission of this form reduces the burden on applicants who would otherwise have no other option than to download and mail the form to TTB.

TTB has approved and will continue to approve, on a case-by-case basis, the use of improved information 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?

TTB F 5110.74 collects information that is pertinent to each respondent and applicable to his/her specific qualifications. 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?

TTB considers all of the information requested on TTB F 5110.74 to be essential to the effective monitoring of alcohol fuel plant operations, and therefore, has made no special provisions for small businesses. However, since small alcohol fuel plants have to provide limited information, their proprietors would spend considerably less time completing the form than proprietors of large alcohol fuel plants.

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 TTB F 5110.74, TTB would not have sufficient information to determine whether a person qualified for a permit to operate an alcohol fuel plant. This would result in an increase in jeopardy to distilled spirits tax revenues.

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 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 NPRM for the revision to part 19 was published on May 8, 2008 (73 FR 26200). In response to Notice No. 83, TTB received 7 comments. Six of the comments expressed strong support for the revisions to part 19 and commented on specific areas of agreement and recommendations for further changes. No comments were opposed to changes that are affected by this information collection. A final rule (T.D. TTB-92, 76 FR 9080) was published to reflect the changes that were proposed in Notice No. 83, including a change in regulatory section numbers relevant to this collection.

A 60-day notice was published in the *Federal Register* (76 FR 81016) on Tuesday, December 27, 2011. 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 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 on this form; however, 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 burden for this information collection has been determined by information provided by TTB regional staff on the number of persons authorized to operate and the number of forms that are submitted is 251. TTB estimates that it takes respondents an average of 1.8 hours to complete TTB F 5110.74. This form is completed once.

This form is now available in our PONL system which has an adoption rate of approximately 60%. It takes 1.3 hours to complete each form in PONL. With the use of the PONL system, the burden hours will slightly decrease from our last submission.

Format	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
Paper	101	1	101	1.8	181.8
PONL	150	1	151	1.3	195.0
			251		376.8

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?

The annual Federal Government cost is estimated at \$16,933. This includes the printing, distribution, clerical and other salary costs.

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

This submission combines information collections (IC) that were previously reported separately, but should be reported under a single IC of affected public for the Private Sector (businesses or other for-profits and Farms). The removal of this IC is categorized as a program change due to agency discretion and reflects a reduction of 110 responses and 198 burden hours. This burden was then added to the modified IC to show an adjustment in agency estimate as an increase of 110 responses and 198 burden hours.

An update of the number of respondents authorized to operate and the number of forms submitted resulted in an increase of 32 respondents attributed to an adjustment.

This form is now available in our Permits On-Line (PONL) systems and users will experience a slight reduction in the burden for a total decrease of 17 hours due to respondents utilizing the PONL.

A total of 251 respondents and 377 burdens hours is being requested; an increase of 32 responses and a decrease of 17 hours.

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 not to 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

- B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.