

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0027

TTB F 5200.14 Taxable Articles Without Payment of Tax

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.

Manufacturers of tobacco products, cigarette papers, or cigarette tubes and export warehouse (EW) proprietors may remove those products without payment of tax for direct exportation or for delivery for subsequent exportation, as provided at 26 U.S.C. 5704(b). The regulations issued thereunder provide for removals of such products from a factory for delivery to an EW and removals from either the factory or an EW for delivery to a Foreign Trade Zone (FTZ). Additionally, manufacturers of cigars operating in a customs bonded manufacturing warehouse can remove such cigars for direct export or for delivery for subsequent export. For products removed from the factory for delivery to an EW, or removed from either the factory or an EW for delivery to a FTZ, the manufacturers and export warehouse proprietors are liable for the tax on the products so removed until the products are received, as required by regulation, into the EW or FTZ. The manufacturer or EW proprietor records such removal of products, without payment of tax, on the TTB form TTB F 5200.14 which is also signed off on by the recipient or customs officer, certifying the appropriate receipt of the products. As a result, the form is used to ensure that removals, without payment of tax, of these products are appropriately delivered for the tax-free purpose of export.

The authority to prescribe these requirements is found in the following regulations:

27 CFR 44.198	27 CFR 44.205	27 CFR 44.256	27 CFR 44.263
27 CFR 44.199	27 CFR 44.206	27 CFR 44.257	27 CFR 44.264
27 CFR 44.200	27 CFR 44.207	27 CFR 44.258	27 CFR 44.264a
27 CFR 44.201	27 CFR 44.207a	27 CFR 44.259	27 CFR 44.265
27 CFR 44.202	27 CFR 44.208	27 CFR 44.260	27 CFR 44.266
27 CFR 44.203	27 CFR 44.210	27 CFR 44.261	27 CFR 44.267
27 CFR 44.204	27 CFR 44.213	27 CFR 44.262	

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: None.

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

TTB collects the information on TTB F 5200.14 to protect the revenue. TTB gathers information about the specific activities listed on TTB F 5200.14 to monitor taxable articles and prevent diversion of nontaxpaid products out of legal channels. For example, TTB compares these forms with manufacturers' and proprietors' periodic reports to ensure all removals are documented and receipt of delivery for subsequent export is verified. Inadequate tracking of such removals may lead to assessment of tax.

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 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 5200.14 collects information that is pertinent to each respondent and applicable to his/her specific operations. As far as we can determine, similar information is not available anywhere else.

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 provide this information to protect the revenue. There is no alternative currently available that would adequately protect Federal 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 TTB were not able to collect this information, then TTB would not fulfill its obligations and goals to protect the revenue. In addition, a less frequent information collection jeopardizes TTB's ability to take timely action when it receives this information.

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 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 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 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?

TTB estimated the number of respondents (280) and the number of forms filed annually (220) by each are based on historical data and input from field office personnel who process this form. TTB estimate the average number of hours per response is 1 hour. The total burden hours are 61,600.

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?

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

Printing	\$ 5,000
Distribution	2,500
Clerical Cost	8,200
Other Salary (review by specialist, etc.)	7,000
Overhead	<u>20,000</u>
Total	\$ 42,700

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

The renewal of this information collection is also intended to correct errors in the designation of categories of affected public made in the previous submission. Categories were created in error for "individuals or households" and "Federal government" for which the burden was distributed. There is only one category of affect public for TTB Form 5200.14 and it is categorized as private sector: businesses or other for-profits.

The removal of the ICs were designated as program changes (-22,000 hours) and the addition of the hours previously reported under the different categories of affected public

have been added as an adjustment in estimate (+22,000). Also, an adjustment in the number of proprietors have increased from 272 to 280; an adjustment of an additional 1,760 hours has been added. The form is also being revised to add a continuation sheet for items 1 through 4, and 10 and 11, if needed. Items 1 through 4 will automatically populate with information from page 4.

The correction to the categories of the affect public did not change the burden of from previous approved submission. The revision to the burden stems from the increase in the number of respondents for an increase of 1,760 for a total of 61,600 burden hours requested. There is an adjustment 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 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
- (j) See item 3 above

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.