

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0010

TTB F 5120.29 Formula and Process for Wine

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.

When a proprietor intends to produce a special wine, other than standard wine or nonbeverage wine, they must obtain prior approval of the formula by which the wine, or wine product made from wine, is to be made. The ingredients and the process used to make the products must be described in detail on TTB F 5120.29. The authority to require this information is contained in 26 U.S. C. 5386 and 27 U.S.C. 205(e) and prescribed in 27 CFR in the following regulations:

24.80	24.86	24.195	24.201
24.81	24.87	24.196	24.211
24.82	24.192	24.198	24.214.

We review the formulas to determine:

- (1) if the proposed ingredients are safe for human consumption (27 U.S.C. 205(e)),
- (2) if the formulas are appropriate for the specific products, and
- (3) the applicable tax rate.

Wine producers are afforded wide latitude in ingredient selection.

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 officers use TTB F 5120.29 during inspections and audits to compare the formulas to the manufacturing records for compliance with the approved formula and payment of the proper tax. Formula review is necessary to ensure that all ingredients are US FDA approved for food and beverage use. We review the process of production to ensure that approved winemaking techniques are employed and that the process is appropriate to the end product. Formula review ensures that the proprietor's determination of alcohol content is accurately calculated and therefore the applicable tax rate is accessed. In the case of nonbeverage wine (withdrawn free of tax under the provision of 26 U.S.C. 5362(d)), formula review ensures that the wine has been rendered unfit for beverage use.

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 will consider the use of improved technology for recording the information on a case-by-case basis.

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 5120.29 collects information that is pertinent to each respondent and applicable to his/her specific situation. 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 by statute to complete this form, so the information collection cannot be waived 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?

Without the information provided on the form, we could not ensure the appropriate tax was paid on the wines produced. Respondents complete this information requirement only as often as necessary to comply with the statute.

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 Friday, June 29, 2012, 77 FR 38886. 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?

We do not provide specific assurance of confidentiality 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?

We do not ask questions of a sensitive nature in this collection.

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

There are 600 respondents submitting this form once and it requires 2 hours to process, for a total of 1,200 burden 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)?

We do not associate any cost with this information collection.

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

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

Printing	\$ 760
Distribution	120
Clerical Costs	180
Other Salary (review supervisory, etc.)	1,080
TOTAL	<u>\$2,140</u>

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

There are no program changes or adjustments associated with this collection. The title is being amended to remove "Bonded Wineries -Letterhead Applications and Notices," from this ICR; because it is not covered here; it is covered under 1513-0057.

16. Outline plans for tabulation and publication for collections of information whose results will be published.

The results of this collection 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.
- (f) This is not a recordkeeping requirement.
- (i) No statistics are involved.
- (j) See item 3 above.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.