

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0028

TTB F 5150.22 Application for an Industrial Alcohol User Permit

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.

Under 26 U.S.C. 5271, the Secretary of Treasury has the authority to prescribe regulations requiring persons using tax-free alcohol for certain nonbeverage purposes (hospitals, laboratories, research centers, etc.) and persons using or dealing in specially denatured spirits (alcohol/rum) to apply for and receive a permit prior to commencing business. The purpose of the law is to protect the tax revenue against potential jeopardy, which could occur through the misuse of alcohol that is beverage quality or of specially denatured spirits.

TTB F 5150.22 is the application form submitted for an industrial alcohol permit. It is prescribed by the regulations in 27 CFR part 20 (users/dealers of specially denatured spirits (alcohol/rum)) and 27 CFR part 22 (users of tax-free alcohol). Specifically:

27 CFR 20.41 and 22.41 require the filing of the application;
27 CFR 20.42 and 22.42 describe the data required to be submitted;
27 CFR 20.43 and 22.43 set forth exceptions to the application requirements; and
27 CFR 20.45 and 22.45 specify the supporting organizational documents required.

This information collection is aligned with:

Treasury Strategic Goal: Effectively Manage US Government Finances.

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?

We use the information reported on TTB F 5150.22 to determine:

- The eligibility of the applicant to engage in certain operations and the extent of the operations;
- The location of the business operations;
- The location of the business premises; and
- Whether the operations will be in conformity with Federal laws and regulations.

These are essential to protecting the revenue.

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?

A person may apply for an industrial alcohol user permit electronically using TTB's Permits Online system at <https://ttbonline.gov/permitsonline>. We have approved, and will continue to consider for approval, on a case-by-case basis, the use of improved technology for reporting and recording the 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 5150.22 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?

This information collection is required by law and cannot be waived on the basis of size of the respondent's business. It is considered to be the minimum necessary to ensure protection of the 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?

Without this information collection we would not be able to:

- Determine the eligibility of individuals to engage in designated operations (normally based on background investigations, documentation of previous dealings with our agency on alcohol related matters, etc.);
- Control the use of tax-free spirits and the use of and operations in specially denatured spirits; or
- Determine the conformity of such operations with Federal laws and regulations.

TTB F 5150.22 is submitted when an applicant wishes to obtain a permit.

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 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?

TTB F 5150.22 is maintained at the TTB's National Revenue Center in secure file rooms with controlled public access. Moreover, 26 U.S.C. 6103 protects the confidentiality of the information collected.

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?

Previously, it should take each of the 738 respondents an average of 1 hour to complete this application. Each respondent will submit 1 of these forms to obtain a permit. In this reporting period the number of respondents decreased from 738 to 550 (288 file manually and 262 filing electronically via PONL).

With PONL:

Paper: $288 \times 1 = 288$

PONL: $262 \times .5 = 131$

Total burden hours: $288 + 131 = 419$

There are 3 affected publics: 300 Businesses (150 Paper & 150 PONL), 125 Government (69 Paper & 56 PONL), & 125 Not for Profit (69 Paper & 56 PONL)

# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Total Burden
150	1	150	1	150
150	1	150	.5	75
69	1	69	1	69
56	1	56	.5	28
69	1	69	1	69
56	1	56	.5	28

--	--	--	--	--

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 annualized cost to the Federal Government are as follows:

Printing	\$ 749.00
Distribution	682.00
Clerical Cost	3,527.00
Other (administrative, supervisory, etc.)	<u>14,638.00</u>
Total	\$19,596.00

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

There is an adjustment associated with this information collection as a result of a decrease in the number of respondents. Also, there is a program change due to our adding this collection to our PONL system, allowing for electronic submission.

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.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.