

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0066

TTB REC 5170/3 Retail Liquor Dealers Records of Receipts of Alcoholic Beverages and Commercial Invoices

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 general authority of 26 U.S.C. 5555 requires subject records, retail liquor dealer records of receipts of alcoholic beverages, and commercial invoices applicable to all persons liable for any taxes imposed by chapter 51 of the Internal Revenue Code. Retail liquor dealers are liable for keeping records as provided under 26 U.S.C. 5124 and 27 CFR 31.234 in the context of revenue protection and law enforcement. Preservation requirements pertaining to the subject records are mandated under 26 U.S.C. 5146. These records must be retained for 3 years.

The primary objective of the enumerated provisions of the statute and regulations is revenue protection by establishment of accountability data available for audit purposes. A secondary objective, consumer protection, is afforded by subject record traceability of alcoholic beverages to the retail liquor dealer level of distribution in the event of defective products.

These records are integral components of the alcoholic beverage control system. The system was established by the authority of law in the interest of TTB collecting and protecting the revenue, and protecting the consumer by means of records documentation sufficient to provide the necessary audit trail from the receipt of raw material, into the production system, through the intervening production processes, to the distribution of finished products to the consuming public.

The retail liquor dealers assure that their alcoholic beverage purchase invoices contain mandatory data and that the maintenance and retention of such invoices is adequate. Retail liquor dealers have an option of keeping a separate book containing the necessary data. In many instances the usual and customary business records, extant purchase invoices, satisfy this information collection requirement.

Retail dealers are required to maintain records of sales of 20 wine gallons or more to the same person at the same time. These records may be ordinary sales slips containing identifying information covering purchases of alcoholic beverages. Delivery copies of sales slips bearing signatures of purchases must be retained and available to support these sale slips.

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 uses the information contained in this collection to verify and account for alcoholic beverage transactions between wholesale and retail dealers to ascertain the taxpaid status supportive of complete tax collections.

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 have approved and will continue to approve on a case-by-case basis, the use of improved information technology for the maintenance of required records.

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?

As previously stated, in many instances the usual and customary business records, extant purchase invoices, satisfy this information collection requirement.

5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?

Where possible, businesses may use usual and customary records, already in existence, to meet this requirement.

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?

The absence of information contained in this information collection would pose jeopardy to the revenue adversely affecting our revenue protection objective achieved by the mandated audit trail.

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?

No special circumstances are associated with this collection of information.

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 (74 FR 26920) on

November 9, 2012. 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?

These records are maintained at the premises of the regulated individual. The confidentiality of information we obtain from regulated individuals is protected under the provisions of 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?

The number of responses per respondent is 1 and the time it takes to maintain these records is 1 hour. The estimated number of respondents is 455,000 annually. Because these records are usual and customary the total burden for this information collection is 1 hour. The respondent would maintain these records in the normal course of doing business even if TTB had no interest in them.

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 collection.

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

There is no annualized cost to the Federal Government.

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

There is no program change or adjustment associated with this collection.

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?

This does not apply. This is a recordkeeping requirement and the records are maintained at the respondents' premises therefore, unlike the form there is no medium on which to place an expiration date.

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.