

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number – 1513-0080

TTB REC 5110/12 Equipment and Structures

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.

Distilled spirits, other than those used for certain authorized nonbeverage purposes, are taxed at the rate of \$13.50 per proof gallon, a rate that far exceeds production costs. To safeguard the revenue from this tax, Congress provided in 26 U.S.C. 5180 that a distilled spirits plant (DSP) proprietor shall post a sign identifying the premises, and in 26 U.S.C. 5178 that the Secretary shall prescribe regulations relating to the location, construction, and arrangement of the plant so as to facilitate inspection and protect the revenue. Requirements for the marking and identification of equipment and structures implement these requirements.

Accordingly, 27 CFR 19.189 requires identifying marks on rooms, buildings, tanks, receptacles, stills, fermenters, cookers, yeast tanks, and other major equipment. The appropriate TTB officer may require the color-coding of pipelines in accordance with § 19.187, and bulk conveyances must be identified in accordance with § 19.478. The requirement for a sign identifying the plant (§ 19.191) implements 26 U.S.C. 5180.

Changes in this supporting statement reflect changes to section numbers as recodified in the final rule (T.D. TTB-92, 76 FR 9080) for the revision of part 19 of the TTB regulations. (See also TTB Notice No. 83)

This information collection is aligned with:

Treasury Strategic Goal: None.

Line of Business/Sub-function: General Government/Taxation Management.

IT Investment: None.

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

Our field personnel use marks on structures and equipment during revenue inspections to identify the use and capacity of the structures or equipment.

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?

Improved information technology is not adaptable to the marking of buildings and equipment.

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?

Efforts to identify duplication are not applicable to marking of buildings and equipment.

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

This collection of information is not susceptible to reduced requirements for small business.

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 marking of equipment or structures is a one-time requirement. A less frequent requirement would be no marks at all. Without this collection of information, our field personnel would not be able to readily identify equipment and would be unable to analyze operations effectively.

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.

For this submission, 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. The comments were supportive of efforts to reduce burden of forms by allowing letterhead applications and notices. No comments were opposed to changes that are affected by this information collection. As a result, a final rule has been drafted to reflect the changes that were proposed in Notice No. 83.

A 60-day Federal Register notice was published for this information collection on Friday, November 9, 2012, 77 FR 67442. 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?

The collection of information remains on the respondent's premises.

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?

There is no change in burden from the previous submission. The recordkeeping requirement for this information collection is 3 years. There are no responses required by the 281 respondents. This information request calls for marks, signs, and calibrations on structures and equipment to identify the use and capacity of such structures or equipment. Therefore, there is only 1 burden hour associated with this request since the proprietor would have to perform these tasks in the normal course of doing business.

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?

There is no cost to the Federal Government for this collection of information.

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

There are no program changes or adjustments associated with this collection. We are submitting this as a revision as advised by the OMB terms of clearance to incorporate final rule 27 CFR Parts 1, 17, 19, et al., *Revision of Distilled Spirits Plant Regulations* (February 16, 2011, at 75 FR 9080) with this information collection. The rule modernized requirement for operating distilled spirits plants and included a number of operational changes (renumbering) to improve the layout of the regulatory text.

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?

It would be inappropriate to display the expiration date for OMB approval because this request requires that marks be placed on structures and equipment. Therefore, unlike the form, there is no medium to display the expiration date.

18. What are the exceptions to the certification statement?

- (c) See item 5 above
- (i) No statistics are involved
- (j) See item 3 above

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.