

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU  
Supporting Statement - Information Collection Request

OMB Control Number 1513-0024

TTB F 5220.4 Report – Proprietor of Export Warehouse

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.

An export warehouse is, generally, a bonded warehouse for the storage of tobacco products or cigarette papers or tubes or any processed tobacco, upon which the Federal excise tax has not been paid, for subsequent export or consumption beyond the jurisdiction of the internal revenue laws of the United States. Prior to starting business as an export warehouse proprietor, a person must apply for and obtain a permit from TTB. One of the requirements under this permit is the filing of a monthly report of operations, TTB F 5220.4. The Internal Revenue Code at 26 U.S.C. 5722 authorizes the Secretary of the Treasury to prescribe regulations requiring such reporting. The implementing regulations are found in:

27 CFR 44.147  
27 CFR 44.148  
27 CFR 44.149

27 CFR 44.150  
27 CFR 44.151

TTB F 5220.4 is a balanced report which summarizes operations at the export warehouse and accounts for the articles handled by these proprietors, on which tax has not been paid, pending export. Normally, no tax will be paid on such articles if they are properly exported. TTB F 5220.4 is the only document filed with TTB which identifies the inventory, at any given time at the export warehouse premises, and the articles received and removed during the reporting period.

This information collection is aligned with:

Treasury Strategic Goal: Effective Manage of 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 collected on TTB F 5220.4 to ensure that proprietors conduct their operations in a manner that protects the revenue and promotes compliance with the law and regulations. TTB gathers information about the specific activities of export warehouse proprietors to account for articles that could be subject to tax, and/or to prevent diversion of such articles. These reports are checked with proprietors' tax returns to ensure that their taxes are properly paid. TTB conducts additional checks, for example on losses, and verifies entries

so that unusual activities, errors, and omissions may be identified. For example, TTB personnel verify the on-hand inventory figures, the accuracy of additions and computations, and that the bond required of the proprietor is sufficient.

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 allow proprietors to report using electronic means, through Pay.gov, in addition to allowing manual reports by businesses that may not be able to use the electronic system. This form is available on TTB.gov for manual reporting.

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 5220.4 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 any where else.

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

TTB requires all businesses, regardless of size, to complete this report because the information is necessary to protect 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?

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 accurate and timely action to prevent diversion.

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 temporary rule (74 FR 29401) and notice of proposed rulemaking (74 FR 29433) was published in the Federal Register on Monday, June 22, 2009. The notice solicited comments from the general public. A 60-day notice (74 FR 47990), to extend the 6-month OMB approval, was published in the Federal Register on Friday, September 18, 2009. The notice solicited comments from the general public. No comments were received.

On June 21, 2012, TTB published a final rule in the Federal Register (77 FR 37287) T.D. TTB-104, which addressed 19 comments received concerning the temporary rule and collection of information by TTB. No comments were received regarding this collection of information and the final rule adopted temporary regulations published in T.D. TTB-78 and T.D. TTB-81.

A 60-day notice was published in the Federal Register (77 FR 67442) on November 9, 2012 to renew this collection. The notice solicited comments from the industry and the general public. TTB received no comments in response to the 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?

No specific assurance of confidentiality is provided; however, TTB protects the confidentiality of tax information under 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 estimates that 80 export warehouse proprietors would be required to prepare and submit monthly reports. Thus, the reporting burden is calculated as follows:

Monthly Summary Reports

80 respondents x 12 months = 960 responses  
@ 2 hours per response = 1,920 hours  
Total Burden Hours = 1,920

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?)

The total annual cost estimate associated with this paperwork requirement is allocated entirely to operations and maintenance. Annual costs are allocated as follows:

1,920 hours X \$6.55 = \$12,576.00  
Postage: 960 reports @ \$0.44 = \$422.40  
Total: \$12,998.40

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

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

Printing and Distribution	\$ 150
Clerical Cost	10,900
Other Salary (review by specialist, etc.)	60,000
Overhead	<u>7,290</u>
TOTAL	\$78,340

The cost to print and distribute this form has decreased as a result of the availability and use of Pay.gov to electronically submit this form, while TTB.gov is used to obtain copies of this form whenever needed. TTB's National Revenue Center still examines and verify that the information on the report is accurate, regardless of how it's submitted.

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

There are no program changes or adjustments 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 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) No recordkeeping requirement involved
- (i) No statistics are involved

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.