

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0100

Applications, Notices, and Permits Relative to Importation and Exportation of Distilled Spirits, Wine and Beer, Including Puerto Rico and the Virgin Islands

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 importation and exportation of beverage and industrial alcohol, wine, and beer is closely monitored under provisions of the Internal Revenue Code (IRC). These provisions ensure that the proper tax is paid. Some of these taxes are subject to being reclaimed by the taxpayer, another reason these commodities are closely monitored. With regard to Puerto Rico and the Virgin Islands, the IRC also provides that some taxes on these commodities will be transferred to the treasuries of Puerto Rico and the Virgin Islands, which also necessitates close monitoring. Even though the exportation of the commodities is tax free, regulatory provisions are necessary to ensure that they are, in fact, exported. In addition, the IRC permits, under very specific circumstances, allow other tax-free dispositions of these commodities.

The data elements included in this request make it possible to trace the commodities using audit techniques, thus enabling our National Revenue Center to verify the payment of excise taxes, verify claims for refund of taxes, and calculate payments due the treasuries of Puerto Rico and the Virgin Islands. The provisions of the regulations contain the minimum amount of information necessary to maintain accountability within the system.

The following sections of law apply:

19 U.S.C. 1309,

26 U.S.C. 5055, 5056, 5062, 5214, 5223, 5301, 5314, and 5362.

Without this recordkeeping requirement, no recording of the data elements necessary to verify these transactions would be specific to the proprietor. We do not maintain centralized records of their use.

The following sections of regulations in Title 27 CFR apply:

26.76, .82, .86, .94, .95, .96b, .105, .104, .105a, .108, .128, and .193,

27.204,

28.22, .23, .36, .117, .132, .147, .162, .220a, .261, and .281.

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?

The data obtained or the permits granted in this request are necessary for the following reasons:

- 1) The records are used by our personnel during field tax compliance examinations to verify that all of the regulated commodities can be accounted for tax payment purposes, in regard to both quantity and rates;
- 2) Permits and authority to ship documents to notify U.S. Customs that it is authorized to release the commodities for shipment to the U.S. mainland;
- 3) The accountability is established for commodities transferred tax-free under provisions of the IRC;
- 4) Provisions are made for return and voluntary destructions of the commodities; and
- 5) Due notice is given to the officials of the Virgin Islands and Puerto Rico that taxable commodities are being shipped to the U.S.

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?

This information collection provides information that is pertinent to each respondent and applicable to his/her specific operation. 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?

The collection of information does not have a significant impact on small businesses.

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?

Eliminating the information collection requirements would leave a significant gap in the audit trail by making it difficult or impossible to trace and verify transactions involved in these taxable commodities. This recordkeeping requirement is considered to be the minimum necessary to ensure compliance. The standards cannot be reduced on the basis of the size of the respondent. Less frequent collection of this information would pose jeopardy to the revenue.

7. Are there any special circumstances associated with this information collection?

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 Wednesday, 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?

Title 26 U.S.C. 6103 protects the confidentiality of proprietary information obtained by the government from regulated individuals.

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 no changes in burden from the previous submission. We estimate that it will take each entity 9 hours per year to compile the data and perform the requirements of these regulatory sections. Further, it is estimated that there will be 20 respondents per year. Therefore, there will be 180 burden hours.

$20 \text{ (respondents)} \times 1 \text{ (times filed annually)} = 20 \text{ (responses)} \times 9 \text{ hours (processing time)} = 180 \text{ (total burden hours)}$.

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)?

No cost is associated with this collection.

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

There is no annualized cost to the Federal Government associated with this collection.

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.

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 of this information collection because this is a recordkeeping requirement, therefore, unlike the form, there is no medium for us to display the date.

18. What are the exceptions to the certification statement?

- (c) See item 5 above
- (f) The required records must be retained for 3 years
- (i) No statistics are involved
- (j) See item 3 above

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.