

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request
OMB Control Number 1513-0078

- TTB Form 5200.3 Application for Permit to Manufacture Tobacco Products or Processed Tobacco or to Operate an Export Warehouse
- TTB Form 5200.16 Application for Amended Permit to Manufacture Tobacco Products or Processed Tobacco or to Operate an Export Warehouse
- TTB Form 5230.4 Application for Permit to Import Tobacco Products or Processed Tobacco
- TTB Form 5230.5 Application for Amended Permit to Import Tobacco Products or Processed Tobacco

A. JUSTIFICATION

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection?

On February 4, 2009, President Obama signed into law the Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. 111-3, 123 Stat. 8 ("the Act"). Section 702 of the Act included amendments to the Internal Revenue Code of 1986 (IRC) to extend permit, inventory, reporting, and recordkeeping requirements to manufacturers and importers of processed tobacco even though such processed tobacco is not subject to excise tax under the IRC.

26 U.S.C. 5712 states that every person, before commencing business as a manufacturer or importer of tobacco products or processed tobacco, or as an export warehouse proprietor, and at such other time as the Secretary shall by regulation prescribe, shall make application for the permit provided for in 26 U.S.C. 5713.

The proprietor completes and submits TTB F 5200.3 or 5230.4 to obtain a permit. When the need arises, a proprietor will complete and submit TTB F 5200.16 or TTB F 5230.5 to inform TTB of changes affecting the accuracy of the information on a current permit and to obtain a new, corrected permit. On occasion, the applicant may be asked to submit additional supporting documentation together with these TTB forms. The additional documentation may consist of corporate documents, articles of partnership or association, a trade name certificate and/or a description and diagram of premises. When necessary, additional supporting documentation must be furnished to determine whether the applicant is entitled to and will be issued a permit or an amended permit. All such documentation will become a part of the application for permit or amended permit.

The statutory authority for this submission is prescribed in the following regulations:

27 CFR 40.62	27 CFR 41.191	27 CFR 44.82
27 CFR 40.63	27 CFR 41.193	27 CFR 44.83
27 CFR 40.64	27 CFR 41.194	27 CFR 44.84
27 CFR 40.65	27 CFR 41.195	27 CFR 44.85
27 CFR 40.69	27 CFR 41.202**	27 CFR 44.88
27 CFR 40.73	27 CFR 41.220	27 CFR 44.91
27 CFR 40.91	27 CFR 41.221	27 CFR 44.101
27 CFR 40.92	27 CFR 41.222	27 CFR 44.102
27 CFR 40.93	27 CFR 41.223	27 CFR 44.103
27 CFR 40.101	27 CFR 41.224	27 CFR 44.104
27 CFR 40.102	27 CFR 41.225	27 CFR 44.105
27 CFR 40.103	27 CFR 41.226	27 CFR 44.106
27 CFR 40.104	27 CFR 41.227	27 CFR 44.107
27 CFR 40.111	27 CFR 41.228	27 CFR 44.108
27 CFR 40.112	27 CFR 41.232*	27 CFR 44.109
27 CFR 40.113	27 CFR 41.233*	27 CFR 44.111
27 CFR 40.114	27 CFR 41.234*	27 CFR 44.112
27 CFR 40.492*	27 CFR 41.235*	
27 CFR 40.494*	27 CFR 41.236*	
27 CFR 40.495*	27 CFR 41.237*	
27 CFR 40.496*	27 CFR 41.242*	
27 CFR 40.497*	27 CFR 41.251*	
27 CFR 40.511*	27 CFR 41.252*	
27 CFR 40.512*	27 CFR 41.253*	
27 CFR 40.513*		

* New regulatory sections included in a temporary rule implementing provisions of the Act.
** Revised regulatory section in the temporary rule.

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

TTB National Revenue Center personnel use the information requested on TTB F 5200.3 and TTB F 5230.4 and any additional supporting documentation to identify applicants for a permit under 26 U.S.C. 5712, the location and mailing address of their permit premises and of their principal place of business, if different, the trade names under which the business is to be operated, and the type of permit being applied for. Item 8 of TTB F 5200.3 includes space in which an applicant may be required to describe the business premises. When required, this information is used for two purposes:

- (1) to determine the exact location of the permit premises (since the premises may consist of less than an entire building, a street address by itself may not be sufficient to describe the location); and
- (2) to determine whether the premises are, as required by 26 U.S.C. 5712(1), adequate to protect the revenue.

Once the information on TTB F 5200.3 or TTB F 5230.4 has been reviewed, it is used to prepare a permit.

TTB F 5200.16 and TTB F 5230.5 and any additional supporting documentation provide the same type of information as TTB F 5200.3 and TTB F 5230.4. They are used to prepare amended permits when there has been a change affecting the accuracy of the original permit. The applicant for an amended permit completes only those portions of TTB F 5200.16 and TTB F 5230.5, and includes additional supporting documentation necessary for, identifying the applicant and describing changes that have occurred at the premises. Therefore, the burden on the respondent is less than that of TTB F 5200.3 and TTB F 5230.4. TTB will use these forms to ensure proper monitoring of the tobacco products and processed tobacco industry.

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 will consider the use of improved technology on a case-by-case basis,

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?

These forms collect information that is pertinent to each respondent and applicable to the specific operations of each applicant. As far as we can determine, similar information is not available elsewhere.

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

The type and amount of information requested by the TTB forms are the minimum necessary to determine if a permit or amended permit can be issued. The amount of information that a small business will have to collect and file with TTB is normally less than a larger, more complex 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?

If this information is not collected through the use of TTB Forms 5200.3, 5200.16, 5230.4, and 5230.5 and the supporting documentation, TTB will not be able to adequately identify persons who engage in the business and those who should be prohibited from engaging in the business through the denial of a permit for the reasons set forth under 26 U.S.C. 5712. Consequently, TTB would be unable to protect the revenue. All of these TTB activities are mandated by Title 26 U.S.C., Chapter 52.

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?

A 60-day notice was published in the *Federal Register* on December 17, 2012, at 77 FR 74740; soliciting comments from the public on the renewal of this information collection and no comments were received.

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?

No specific assurance of confidentiality is provided on this form. 26 U.S.C. 6103 and 5 U.S.C. 552 protects the confidentiality of the information collected, except where noted.

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?

Form	# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Total Burden
5200.3	173	1	173	2	346
5200.16	173	1	173	1	173
5230.4	586	1	586	2	1,172
5230.5	586	1	586	1	586
Summary of Burden			1,518	1.50	2,277

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?

Form	Capital/ Start-up	Salary	Clerical & Filing Costs	Overhead	Total
5200.3	NA	\$4,500	\$450	\$595	\$5,545
5200.16	NA	\$1,350	\$135	\$250	\$1,735
5230.4	NA	\$40,500	\$4,050	\$4,550	\$49,100
5230.5	NA	\$4,500	\$450	\$600	\$5,550
Cost to Respondents					\$61,930

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

Form	Printing & Distribution	Salary (review, inspection, supervisory)	Clerical & Filing Costs	Overhead	Total
5200.3	\$100	\$4,500	\$450	\$500	\$5,550
5200.16	\$100	\$450	\$45	\$50	\$645
5230.4	\$1,000	\$648,000	\$64,800	\$71,280	\$785,080
5230.5	\$300	\$36,000	\$3,600	\$4,000	\$43,900
Cost to the Federal Government					\$835,175

15. What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?

This submission is being made to renew this information collection. There are no program changes or adjustments. Corrections have been made to the cost per respondent to reflect current amounts shown in question 13 above.

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?

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.