

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)

Supporting Statement - Information Collection Request

OMB Control Number – 1513-0123

TTB F 5100.21 Application, Permit, and Report – Wine and Beer (Puerto Rico)

TTB F 5110.51 Application, Permit, and Report – Distilled Spirits Products (Puerto Rico)

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.

Under the provisions of the Internal Revenue Code, at 26 U.S.C. 7652(a), a tax is imposed on articles of merchandise of Puerto Rican manufacture coming into the United States and withdrawn for consumption or sale, and the tax is equal to the internal revenue tax imposed in the United States upon like articles of merchandise of domestic manufacture. Under 26 U.S.C. 7101, and 7102, TTB requires a bond from any person who intends to ship alcohol beverage products of Puerto Rican manufacture to the United States from bonded storage in Puerto Rico on computation, but before payment, of the tax imposed by 26 U.S.C. 7652(a), equal to the tax imposed in the United States by 26 U.S.C. 5001(a)(1), 5041(b), and 5051(a)(1). A manufacturer must first furnish a bond for each premises from which shipment will be made to secure payment of such tax at the time and in the manner prescribed in 27 CFR Part 26, on all alcohol beverage products before making any such shipment. TTB F 5100.21 is a permit to compute the tax on, tax pay, and withdraw shipments of wine or beer from Puerto Rico to the United States, as substantively required by 27 CFR 26.93. TTB F 5110.51 is a permit to compute the tax on, tax pay, and withdraw shipments of distilled spirits products from Puerto Rico to the United States, as substantively required by 27 CFR 26.78.

When TTB F 5100.21 or TTB F 5110.51 is submitted, it is examined by TTB to verify that the bond provides adequate coverage to protect the Federal Government in the event the tax is not paid. Regulations prescribing this bond requirement are found in 27 CFR Part 26, Subpart E, particularly § 26.66 through § 26.79a. Regulations prescribing the deferred payment and prepayment of tax are found in §§ 26.80, 26.81, 26.95, 26.96, 26.104, and 26.105.

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?

The information collected on TTB F 5100.21 or TTB F 5110.51 includes the amount, type, and manufacturer of the alcohol beverage product, the identity of the entities executing it, and the signatures of authorized representatives. This information is used by TTB to establish the claimant's eligibility to defer the tax or to ensure tax has been prepaid. If necessary, it also is used to enforce collection of money owed to the Government.

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 similar information already available be used or modified for use for the purposes described in Item 2 above?

The forms contain information that is pertinent to each respondent and applicable to his/her specific shipments. 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?

All claimants regardless of size are required by regulation to submit these forms. This information collection burden is already minimized for all respondents as much as possible within the context of the statutory requirements. The minimal information mandated by these forms cannot be waived or reduced simply because the respondent's business is small.

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 collection was not conducted it would mean that some claimants might not be covered by an adequate bond or may not have prepaid the tax before shipment, which poses jeopardy to the revenue.

7. Are there any special circumstances associated with the 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?

A 60-day notice was published in the Federal Register (78 FR 4589) on Tuesday, January 22, 2013. 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?

No specific assurance of confidentiality is provided on these forms; however, the confidentiality of the information collected on these forms are protected by 5 U.S.C. 552 and 26 U.S.C. 6103.

11. What justification is there for questions of a sensitive nature?

No questions of a sensitive nature are asked.

12. What is the estimated hour burden of this collection of information?

It is estimated that 25 respondents will file TTB F 5110.51 one time and take an average of 10 minutes per applicant to complete, for 4 annual burden hours.

It is estimated that 10 respondents will file TTB F 5100.21 one time and take an average of 10 minutes per applicant to complete, for 2 annual burden hour.

That would be a total of 35 responses and 6 annual burden hours.

The number of respondents and the number of forms filed annually are based on historical data provided by TTB personnel who process these forms.

13. What is the estimated total annual cost burden to respondents or record keepers 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?

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

		5110.51 + 5100.21
Printing	\$ 6.00	(\$5 + \$1)
Distribution	10.00	(\$7 + \$3)
Clerical Cost	60.00	
Other Salary (review, supervisory, etc.)	<u>100.00</u>	
TOTAL	\$176.00	

These estimates are based on experience. The cost associated with printing and distribution has decreased as a result of an increase in the use of our website to obtain copies of these forms. Many of the industry members that use these forms no longer rely on us to provide them.

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

There are no program changes or adjustments associated with this information 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 information collection.

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.