

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Requirement

OMB Control Number 1513-0025

TTB F 5200.11 - Notice of Release of Tobacco Products, Cigarette Papers, or Cigarette Tubes

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 Internal Revenue Code of 1986 (IRC) at 26 U.S.C. 5704(c) and (d) provides, in general, for the release from customs custody, without payment of tax and under internal revenue bond, of tobacco products and cigarette papers and tubes imported or brought into the U.S. Specifically, under paragraph (c), tobacco products and cigarette papers and tubes, imported or brought into the United States, may be released from customs custody, without payment of tax, for delivery to the proprietor of an export warehouse, or to a manufacturer of tobacco products or cigarette papers and tubes if such articles are not put up in packages, in accordance with such regulations and under such bond as shall be prescribed. Under paragraph (d), tobacco products and cigarette papers and tubes exported and returned to the U.S. may be released from customs custody, without payment of that part of the duty attributable to the internal revenue tax for delivery to the original manufacturer of such tobacco products or cigarette papers and tubes or to the proprietor of an export warehouse authorized by such manufacturer to receive such articles, in accordance with such regulations and under such bond as shall be prescribed. The regulatory requirements for these actions are set forth at 27 CFR 41.85, 41.85a, and 41.86.

TTB F 5200.11 documents the release of such tobacco products, cigarette papers, and cigarette tubes without payment of tax from customs custody. The form identifies the industry member under whose bond the products are to be released and serves to inform U.S Customs and Border Protection that the industry member does have a bond to cover the products.

The IRC at 26 U.S.C. 5704(b) allows removals of tobacco products and cigarette papers and tubes from manufacturers and proprietors without payment of tax for export and for certain other removals. Such shipments are documented on TTB F 5200.14. However, returns of any of these articles to the manufacturer or export warehouse proprietor are documented on the TTB F 5200.11.

This information collection is aligned with:

Treasury Strategic Goal: Effectively Manage US Government Finances.

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

IT Investment: None.

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

TTB F 5200.11 contains a certification to be signed by an appropriate Alcohol and Tobacco Tax and Trade (TTB) officer before the articles are released from customs custody, showing that the export warehouse proprietor or manufacturer who is to receive the nontaxpaid articles is authorized to do so. This form also identifies the articles involved for tax purposes. TTB verifies that the manufacturer or export warehouse proprietor is legally eligible to receive nontaxpaid articles, to prevent release to an entity not legally authorized to receive such articles. In addition, these completed forms establish a basis for auditing the movement of bonded articles.

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 encourages the use of technological advances to collect, store, and retrieve this information. TTB has approved and will continue to approve, on a case-by-case basis, the use of improved technology for the collection and maintenance of required information.

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 requirement is unique to the subject manufacturer or proprietor. In addition, the form contains a certification that is signed by the appropriate TTB officer, and the signature of the person releasing the articles. 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 completion of TTB F 5200.11 is necessary to protect the revenue and applies to all applicable persons regardless of size. Lessening the burden on small businesses or other small entities would result in greater risk to 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?

Without this information collection, there would be jeopardy to the revenue. Without this information, TTB would be unable to verify that the manufacturer or proprietor is legally eligible to receive nontaxpaid articles, resulting in the release of articles to an entity not legally authorized to receive such articles. This form identifies the articles involved for tax purposes and ensures that the transaction is completed consistent with applicable regulations. Without this information collection TTB personnel would be unable to audit the movement of bonded articles.

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 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 Friday, January 31, 2014, at 79 FR 5526. 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 information 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 confidentiality of the information collected on this form is protected by 26 U.S.C. 6103.

11. What justification is there for questions of a sensitive nature? If personally identifiable information (PII) is being collected in an electronic system, identify the Privacy Impact Assessment (PIA) that has been conducted for the information collected under this request and/or Privacy Act System of Records notice (SORN) that has been issued for the electronic system in which the PII is being stored.

We ask no questions of a sensitive nature. A privacy impact assessment is not required for this collection because no PII is being collected in an electronic system.

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

The estimated 268 respondents file this form 8 times annually based on historical data provided by field personnel who audit and process this form. We estimate that each request requires 15 minutes to prepare.

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?)

Estimated cost to respondents-

Salary	\$	5,500
Clerical (Storing & Filing)		250
Overhead		<u>575</u>
Total	\$	6,325

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

Salary based on processing and audits	\$	1,540
Overhead		<u>500</u>
Total	\$	2,040

Printing and distribution costs previously reported for hard copy forms have dropped due to the availability of the forms on TTB.gov. As a result, printing and distribution cost has been separated out of the total cost and is estimated at \$150 (included in the Overhead cost). Even with this change, TTB estimates the total Federal Government cost is the same because of an increase in other cost.

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

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.

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?

We will display the expiration date of OMB approval for this collection.

18. What are the exceptions to the certification statement?

- (c) See answer 5 above.
- (f) This is not a recordkeeping information collection.
- (i) No statistics are involved.
- (j) See answer 3

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.