

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE
Supporting Statement - Information Collection Requirement
OMB Control Number 1513-0069

TTB REC 5210/6 Tobacco Products Manufacturers - Supporting Record for Removals
for the Use of the United States.

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.

Tobacco products and cigarette papers and tubes are subject to tax under 26 U.S.C. 5701. Pursuant to 26 U.S.C. 5704(b), these items can be removed without the payment of tax for the use of the United States.

Under 26 U.S.C. 5741, every manufacturer of tobacco products or cigarette papers and tubes, every importer, and every export warehouse proprietor is required to keep such records as the Secretary of the Treasury prescribes by regulation.

The TTB regulations at 27 CFR 45.51 require manufacturers to keep records related to the removals of tobacco products or cigarette papers or tubes for use of the United States. These records must show the date of removal, the name and address of the Federal agency to which the products are shipped or delivered, the kind and quantity of product and, for large cigars, the sale price. Records must also be kept detailing any items removed for use of the United States and returned to the manufacturer. Records must be retained by the manufacturer for 3 years following the close of the year covered by the records and the records must be made available for inspection by any TTB officer upon request.

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?

These records are used by TTB personnel during audits and investigations to verify that all tobacco products and cigarette papers and tubes removed without payment of tax for the use of the United States can be accounted for, thus ensuring that tax revenues are protected and only such products as are appropriately documented are eligible for this tax exemption. .

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 recordkeeping requirements do not prohibit the use of information technology in recordkeeping or the use of electronic records. TTB has 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?

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 collection of information does not have a significant impact on a substantial number of small businesses or other small entities.

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?

This record is necessary so that TTB can verify that removals made without payment of tax were actually shipped or delivered to a Federal agency for the use of the United States. If no record showing these removals was maintained, or if the name of the receiving agency was not shown, there would be no way to ensure that only products that were received by a Federal agency for the use of the United States were removed without payment of tax. This record is part of the comprehensive record system that enables TTB to trace tobacco products transactions and determine that tax liabilities have been accurately determined and discharged by the manufacturer. This recordkeeping requirements established are considered to be the minimum necessary to confirm that the appropriate taxes have been paid on tobacco products.

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.

TTB published a 60-day notice in the Federal Register (79 FR 10622) to renew this collection on Friday, February 25, 2014. The notice solicited comments from the general public. TTB received no comment.

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?

These records are maintained at the premises of the regulated individual. However, 26 U.S.C. 6103 protects the confidentiality of taxpayer information obtained by the Government from regulated individuals.

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. This collection is not associated with a PIA or SORN. This is a recordkeeping information collection and the requested information is maintained at the industry member's premises rather than in a TTB electronic system.

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

We estimate that this recordkeeping requirement will take each of the 101 respondents 5 hours per year to compile and record the required information, resulting in a total burden of 505 hours.

	RESPONDENTS	TIMES SUBMITTED	RESPONDENTS	AMOUNT OF HOURS REQUIRED TO RESPOND	ESTIMATED BURDEN HOURS
	101	1	101	5	505
TOTAL	101	1	101	5	505

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)?

There is no annual cost burden associated with this collection of information.

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

There is no cost to the Federal Government.

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

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 because these are records that are maintained by the respondent and unlike a form there is no medium for us to display the date.

18. What are the exceptions to the certification statement?

- (c) See item 5 for explanation regarding burden to small businesses.
- (i) This is not a survey so no statistical methods are involved.
- (j) See item 3 for explanation regarding the use of information technology.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.