

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE

Supporting Statement - Information Collection Requirement

OMB Control Number 1513-0034

TTB F 5200.7 Schedule of Tobacco Products, Cigarette Papers or Tubes Withdrawn from the Market.

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.

Provided in 26 U.S.C. 5705, a manufacturer of tobacco products is allowed credit or refund of taxes on tobacco products and cigarette papers and tubes withdrawn from the market. TTB F 5200.7 is used to identify tobacco products, cigarette papers, and/or cigarette tubes withdrawn from the market and the location of those products. The form is filed with TTB as documentation to support claims filed by the manufacturers for credit or refund of taxes on the items withdrawn from the market. The form also notifies TTB of future destruction, and gives TTB the opportunity to witness the destruction, if necessary.

In 27 CFR 40.311, TTB F 5200.7 must be filed with TTB by manufacturers of tobacco products and/or cigarette papers and tubes prior to filing a claim for refund or credit. The authority for TTB F 5200.7 is prescribed in the following regulations:

| | |
|---------------|---------------|
| 27 CFR 40.283 | 27 CFR 40.477 |
| 27 CFR 40.311 | 27 CFR 40.478 |
| 27 CFR 40.312 | 27 CFR 41.170 |
| 27 CFR 40.313 | 27 CFR 41.171 |
| 27 CFR 40.472 | 27 CFR 41.172 |
| 27 CFR 40.473 | 27 CFR 41.173 |
| 27 CFR 40.476 | 27 CFR 41.174 |

This information collection is aligned with:

Treasury Strategic Goal: None.

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 5200.7 provides a format for manufacturers to substantiate claims for refund, credit, or allowance of tax on tobacco products, cigarette papers, or cigarette tubes. Prior to the manufacturer being permitted to either return to bond or destroy the enumerated items, the manufacturer must file this schedule with TTB. TTB may either verify and supervise the requested activity or grant authorization to the taxpayer to return or dispose of the articles without TTB supervision. This provides a valuable link in the audit trail establishing tax liability.

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 considers, on a case-by-case basis, the use of improved technology for recording and reporting the 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?

TTB itself does not require the same information to be provided elsewhere. The information collected is pertinent to the return and possible destruction of specific articles. As far as we can determine, similar information is not available from any other source.

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

Since the submission of TTB F 5200.7 is critical to protecting the revenue, all entities regardless of size are required by statute to complete this information collection requirement. The information collected is pertinent and applicable only to the needs of each respondent.

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 TTB F 5200.7 did not exist there would be no prior notification given to TTB to allow TTB the opportunity to verify and supervise the disposition of merchandise withdrawn from the market. This would put the revenue at risk. Manufacturers would file claims with no verifiable substantiating documentation and TTB would be denied a valuable tool in discouraging and preventing fraudulent claims.

Respondents complete this information only as frequently as necessary to comply with the statute.

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 Federal Register notice (79 FR 20305) on Friday, April 11, 2014 for the renewal of this information collection. 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?

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. This collection is not associated with a PIA or SORN.

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

The number of respondents (250) and the number of forms filed annually by each (12) are based on historical data provided by TTB field personnel who audit and process this form. The estimated average number of hours per response is 45 minutes and the total burden hours are 2,250.

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 cost to respondents 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:

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|---|------------|
| Clerical Cost | \$130.00 |
| Other Salary (review supervisory, etc.) | 890.00 |
| TOTAL | \$1,020.00 |

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

There is an adjustment associated with this information collection. The burden hours have increased because of an increase in the number of manufacturers required to complete this form.

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 item 5 for explanation regarding burden to small businesses.
- (f) This is not a record keeping collection so there is no retention period.
- (i) There is no statistical method used for this collection.
- (j) See item 3 for explanation regarding the use of information technology.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.