

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement – Information Collection Request

OMB Control Number 1513-0028

TTB F 5150.22 – Application for an Industrial Alcohol User Permit

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 Line of Business/Sub-function and IT Investment, if one is used.

Under 26 U.S.C. 5271, the Secretary of Treasury has the authority to prescribe regulations requiring persons using tax-free alcohol for certain nonbeverage purposes (hospitals, laboratories, research centers, etc.) and persons using or dealing in specially denatured spirits (alcohol/rum) to apply for and receive a permit prior to commencing business. The purpose of the law is to protect the tax revenue against potential jeopardy, which could occur through the misuse of alcohol that is beverage quality or of specially denatured spirits.

TTB F 5150.22 is the application form submitted for an industrial alcohol permit. It is prescribed by the regulations in 27 CFR part 20 (users/dealers of specially denatured spirits (alcohol/rum)) and 27 CFR part 22 (users of tax-free alcohol). Specifically:

27 CFR 20.41 and 22.41 require the filing of the application;
27 CFR 20.42 and 22.42 describe the data required to be submitted;
27 CFR 20.43 and 22.43 set forth exceptions to the application requirements; and
27 CFR 20.45 and 22.45 specify the supporting organizational documents required.

This information collection is aligned with:

Line of Business/Sub-function: Law Enforcement/Substance Control.

IT Investment: Tax Major Application Systems.

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

We use the information reported on TTB F 5150.22 to determine:

- The eligibility of the applicant to engage in certain operations and the extent of the operations;
- The location of the business operations;
- The location of the business premises; and

- Whether the operations will be in conformity with Federal laws and regulations.

These are essential to protecting the revenue.

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?

An applicant can electronically submit the information requested on TTB F 5150.22, to apply for an industrial alcohol user permit, using TTB's Permits Online (PONL) system at <https://ttbonline.gov/permitsonline>. An applicant may also download TTB F 5150.22 from TTB.gov. When the form is opened, a message appears, encouraging the user to file the form through Permits Online for faster processing.

TTB has approved, and will continue to consider for approval, on a case-by-case basis, the use of other improved technology for reporting and recording 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 F 5150.22 collects information that is pertinent to each respondent and applicable to their specific situation. As far as we can determine, similar information is not available anywhere else.

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

This information collection is required by law and cannot be waived on the basis of size of the respondent's business. It is considered to be the minimum necessary to ensure protection of 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 TTB would not be able to:

- Determine the eligibility of individuals to engage in designated operations (normally based on background investigations, documentation of previous dealings with our agency on alcohol related matters, etc.);
- Control the use of tax-free spirits and the use of and operations in specially denatured spirits; or
- Determine the conformity of such operations with Federal laws and regulations.

TTB F 5150.22 is submitted when an applicant wishes to obtain a permit.

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.

A 60-day *Federal Register* notice was published for this information collection on Friday, April 11, 2014, 79 FR 20305. 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?

TTB F 5150.22 is maintained at the TTB's National Revenue Center in secure file rooms with controlled public access. Moreover, 26 U.S.C. 6103 protects the confidentiality of the information collected.

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.

A Privacy Impact Assessment (PIA) has been conducted for information collected under this request as part of the Tax Major Application System and a Privacy Act System of Records notice (SORN) has been issued for this system under TTB .001-Regulatory Enforcement Record System (76 FR 74847, December 1, 2011). The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

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

Previously, it took each of the 550 respondents an average of 1 hour to complete an application. In this reporting period, the number of respondents increased from 550 to 575 (295 file manually and 280 filing electronically via PONL). The respondents apply once and the time it takes is determined by the method by which they choose to file.

Paper: 295 respondents × 1 response/yr. × 1 hr. per response = 295
PONL: 280 respondents × 1 response/yr. × 0.5 hr. per response = 140
Total burden hours: 295 + 140 = 435

There are 3 affected publics: 306 Businesses (160 Paper & 146 PONL), 70 Government (34 Paper & 36 PONL), & 199 Not for Profit (101 Paper & 98 PONL).

Type of Respondent	Type of Filing	# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	HR. BURDEN TOTALS
Businesses	PAPER	160	1	160	1.0	160
	PONL	146	1	146	0.5	73
Not-for-Profits	PAPER	101	1	101	1.0	101
	PONL	98	1	98	0.5	49
	PAPER	261	1	261	1.0	261
	PONL	244	1	244	0.5	122
	TOTALS	505		505		383
Governments	PAPER	34	1	34	1.0	34
	PONL	36	1	36	0.5	18
	PAPER	295	1	295	1.0	295
	PONL	280	1	280	0.5	140
	TOTALS	575		575		435

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?)

No cost is associated with this collection.

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

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

Clerical Cost	3,527.00
Other (administrative, supervisory, etc.)	<u>14,638.00</u>
Total	\$18,165.00

Printing and distribution cost has either significantly decreased or no longer exists due to the availability of TTB forms on TTB.gov and PONL. As a result, there is no longer printing and distribution cost for this collection.

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

There is an adjustment associated with this information collection as a result of an increase in the number of respondents.

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?

TTB is seeking approval to not display the expiration date for OMB approval of this collection because displaying the expiration date would make it necessary to update the electronic form and website where it is accessed after each renewal. Additionally, not displaying the expiration date on the form will avoid confusion among members of the public who may have identical forms with different expiration dates in their possession. By not displaying the expiration date, supplies of the form could continue to be used regardless of when the OMB approval has expired. This would also reduce the difficulties experienced by the public when trying to determine when there are actual changes that require reduce costs incurred through desktop publishing.

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.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.