

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement -- Information Collection Request**  
**OMB Control Number 1513-0030**

Information Collection Request Title:

Claim – Alcohol, Tobacco, and Firearms Taxes

(Includes: TTB F 5620.8, Claim – Alcohol, Tobacco, and Firearms Taxes)

**A. Justification**

*1. What are the circumstances that make this collection of information necessary, and what legal or administrative requirements necessitate the collection? Also align the information collection to TTB's Line of Business/Sub-function and IT Investment, if one is used.*

The Internal Revenue Code of 1986, as amended (IRC), at 26 U.S.C. 5008, 5056, 5370, and 5705 authorizes the Secretary of the Treasury to provide for claims for taxpayer relief for Federal excise taxes paid on distilled spirits, wine, beer, and tobacco products lost or destroyed by theft, disaster or some other manner, and for products voluntarily destroyed. The IRC at 26 U.S.C. 5044 also allows for the refund of tax for wine returned to bond. Under 26 U.S.C. 5111–5114, the Secretary also is authorized to issue drawback (refunds) for a portion of the excise taxes paid on distilled spirits used in the manufacture of certain nonbeverage products. In addition, 26 U.S.C. 6402–6404 provides that taxpayers may file claims to request credit, refund, or abatement of overpaid, excessive, or erroneous taxes collected, and 26 U.S.C. 6423 sets conditions on claims for erroneously collected alcohol and tobacco excise taxes.

Under these authorities, the Secretary is authorized to issue regulations governing the filing of such claims. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the relevant IRC sections pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). In addition, the Secretary has delegated certain IRC administrative, enforcement, and regulatory authorities to TTB through Treasury Department Order 120–01.

Under its regulations in 27 CFR, TTB requires excise taxpayers to file claims for relief of excise taxes on form TTB F 5620.8, Claim–Alcohol, Tobacco, and Firearms Taxes.

Below is a list of the situations in which TTB F 5620.8 is used to document a claim:

- a. Allowance of loss – discharged of potential tax liability before tax payment or assessment.
- b. Allowance of tax – when product, after removal from the factory or prior to payment of tax, is lost or destroyed by fire, flood, theft, etc., and is still under title to the

manufacturer. (In addition to TTB F 5620.8, the claimant must submit proof to TTB as to the cause of the loss, and, if the loss appears to be a result of theft, the claimant must establish to TTB's satisfaction that the loss was not the result of negligence, fraud, or collusion.)

- c. Remission of tax – a mistake was made in calculation or there was a cancellation of tax prior to determination of payment.
- d. Credit of tax – tax already paid is applied to next tax return or to reduce a current tax liability.
- e. Abatement of tax – taxpayer is released from tax liability before he/she pays the assessment.
- f. Refund of tax – refund of tax erroneously or excessively collected (includes special occupational tax).
- g. Drawback of tax – Nonbeverage claimants request a partial refund or remittance for taxes paid on distilled spirits used in the production of medicines, food products, and flavoring extracts which are unfit for beverage use.

The following TTB regulations require or govern the submission of a claim:

- 27 CFR 17.141, and 17.142 (drawback on nonbeverage products);
- 27 CFR 19.262, 19.263–19.266, 19.269, 19.452, 19.462, and 19.464 (distilled spirits);
- 27 CFR 20.202–20.205 (denatured alcohol and rum);
- 27 CFR 24.65, and 24.69 (wine);
- 27 CFR 25.224, 25.225, 25.281–25.283, 25.285, and 25.286 (beer);
- 27 CFR 26.173, and 26.306–26.310 (liquors from Puerto Rico);
- 27 CFR 28.303, 28.310, 28.315, and 28.317 (alcohol for export);
- 27 CFR 31.201–31.203 (alcohol beverage dealers);
- 27 CFR 40.281–40.284, 40.286, 40.287, 40.301, 40.313; and 40.471–40.474 (domestically-produced tobacco products);
- 27 CFR 41.161–41.163, and 41.165 (imported tobacco products);
- 27 CFR 44.152–44.154 (exported tobacco products);
- 27 CFR 46.5–46.8, and 46.74–46.77 (misc. regulations for tobacco products);
- 27 CFR 53.171 (firearms and ammunition excise taxes);

In addition to the above, TTB has set forth administrative regulations for claims at:

- 27 CFR 70.123–70.125 (general administrative regulations);
- 27 CFR 70.413 (claims regarding alcohol excise taxes);
- 27 CFR 70.435 (claims regarding tobacco excise taxes);
- 27 CFR 70.448 (claims regarding firearms and ammunition excise taxes);
- 27 CFR 70.501–508 (sets forth conditions under 26 U.S.C. 6423 for claims regarding erroneously collected alcohol and tobacco excise taxes); and
- 27 CFR 70.601–608 (sets forth conditions and procedures for claims based on losses due to theft, vandalism, or malicious mischief).

This information collection is aligned with —

- Line of Business/Sub-function: General Government/Taxation Management.
- IT Investment: Tax Major Application System.

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

TTB F 5620.8 is used by the claimant to show the basis for allowance, credit, refund, or remission of Federal excise tax on lost or destroyed taxable articles (distilled spirits, wine, beer, tobacco products, or firearms and ammunition). TTB F 5620.8 also is used to document drawback claims for the excise taxes paid on distilled spirits used in the manufacture of certain nonbeverage products, and TTB F 5620.8 is used to show the basis for a refund or abatement of tax that was excessively or erroneously collected.

The form is submitted, along with supporting documentation, to indicate the reason an allowance, abatement, credit, drawback, refund, or remission of Federal excise tax should be made to a claimant. TTB then uses this information to approve or deny the claim. TTB summarizes information regarding the number, type, and amount of all claims in monthly and annual reports.

*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 has approved and will continue to approve, on a case-by-case basis, the use of improved information technology for the submission of this form and the required supporting documentation. Currently, TTB F 5520.3 is available free to the public as a fillable, printable form on the TTB website (<http://www.ttb.gov/forms/5000.shtml>).

*4. What efforts are used to identify duplication? Can similar information already available be used or modified for use for the purposes described in Item 2 above?*

TTB F 5620.8 contains information that is pertinent and unique to each respondent and claim submitted for allowance, abatement, credit, drawback, refund, or remission of Federal excise tax. As far as TTB 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 entities, regardless of size, are required by statute to file a claim to substantiate their loss or other claim for tax relief. This information collection is required in order to determine if an allowance, abatement, credit, drawback, refund, or remission of Federal excise tax refund or abatement is warranted. The burden is minimized by limiting the collection of information to that which is necessary to protect the revenue. This statutory requirement cannot be waived 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 TTB did not collect this information and did not have an adequate number of personnel in the field to verify the submitted claims, TTB could possibly refund money to ineligible claimants, which would jeopardize the revenue.

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.*

To solicit comments from the general public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on October 15, 2014, at 79 FR 61939. TTB received no comments on this information collection in response.

9. *Was any payment or gift given to respondents, other than remuneration of contractors or grantees? If so, why?*

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 this form. However, the confidentiality of the information collected on this form and the supporting documentation is protected by 5 U.S.C. 552 and 26 U.S.C. 6103.

11. *What is the justification 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 the Privacy Act System of Records notice (SORN) issued for the electronic system in which the PII is being stored.*

This information collection contains no questions of a sensitive nature.

TTB has completed a Privacy Impact Assessment (PIA) for information collected under this request as part of the Tax Major Application System, and has issued a Privacy Act System of Records notice (SORN) for this system under TTB .001—Regulatory Enforcement Record System, published in the Federal Register on December 1, 2011, at 76 FR 74847. TTB's PIAs are available on the TTB website at <http://www.ttb.gov/foia/pia.shtml>.

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

While the burden for this collection continues to be one hour per respondent, Based on the number of claims filed in recent years, TTB has lowered the estimated number of annual responses from 10,000 to 4,600. Therefore, TTB calculates that the hour burden for this information collection is one hour for the one TTB F 5620.8 filed annually by 4,600 respondents, equaling 4,600 hours total burden hours.

13. *What is the estimated annual cost burden to respondents or record keepers resulting from this information collection request (excluding the value of the hour burden in Question 12 above)?*

There is no cost associated with this collection.

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

Estimates of annual cost to the Federal Government are:

Printing costs	\$ 0
Distribution costs	0
Clerical costs	96,500
Other Salary costs (review, supervisory, etc.)	69,500
<b>TOTAL COSTS</b>	<b>\$ 166,000</b>

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate since TTB distributes its forms to the public for downloading and self-printing via the TTB website (see <http://www.ttb.gov/forms/5000.shtml>.)

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

There are no program changes associated with this collection. Based on the number of claims filed in recent years, TTB has lowered the estimated annual number of respondents and resulting burden hours to reflect a decrease in the number of claims submitted to TTB.

On the TTB F 5620.8 form itself, TTB is adding a specific mailing address for the form, and is updating the mailing address contained in the Paperwork Reduction Act statement.

16. *Outline plans for tabulation and publication for collections of information whose results will be published.*

TTB will not publish information from individual claims. TTB publishes only general summary reports of the number, type, and amount of claims made, but no information identifying individual claims or claimants is 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?

As a cost saving measure for both TTB and the general public, TTB is seeking approval not to display the expiration date for OMB approval of this information collection. By not displaying the expiration date of this collection on the related form, TTB will not have to update the form's expiration date on its electronic systems and website pages or on the form's paper version each time the information collection is approved. Similarly, TTB-regulated businesses will not have to update their stocks of paper forms or alter electronic copies of the form, including any marginally-punched continuous printed versions of the form produced by some businesses, at their own expense, for use with their electronic systems or for sale to other businesses or individuals. Additionally, not displaying the OMB approval expiration date on this 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 in use regardless of when OMB's approval has expired.

18. *What are the exceptions to the certification statement?*

- (c) See item 5 above.
- (i) No statistics are involved.
- (j) See item 3 above.

**B. Collections of Information Employing Statistical Methods.**

This collection does not employ statistical methods.