

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement -- Information Collection Request**  
**OMB Control Number 1513-0043**

Information Collection Request Title:

Application and Permit to Ship Puerto Rican Spirits to the United States Without Payment of Tax

Information Collections Issued under this Title:

-- TTB F 5110.31, Application and Permit to Ship Puerto Rican Spirits to the United States Without Payment of Tax

**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 Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the Federal distilled spirits excise tax and the related provisions of chapter 51 of the Internal Revenue Code (26 U.S.C. chapter 51), 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 of the Treasury has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

The IRC at 26 U.S.C. 7652 imposes Federal excise tax on Puerto Rican distilled spirits shipped to the United States for consumption or sale. However, the IRC at 26 U.S.C. 5232 provides that distilled spirits imported or brought into the United States in bulk containers may be withdrawn from Customs custody and transferred to the bonded premises of a distilled spirits plant without payment of tax. In addition, the IRC at 26 U.S.C. 5314 allows Puerto Rican spirits, including denatured distilled spirits, to be brought into the United States without payment of tax under certain circumstances.

Applicants use TTB F 5110.31 to apply for, and to document, the shipment of Puerto Rican spirits to the United States without payment of tax, as authorized by sections 5232 and 5314 of the IRC. The form identifies the consignor in Puerto Rico from where the shipments are to be made, the consignee in the United States receiving the spirits, and the amount of spirits to be shipped without payment of tax.

The TTB regulations requiring or governing the use of TTB F 5110.31 are found at:

27 CFR 26.199

27 CFR 26.199a

27 CFR 26.199b

27 CFR 26.199d

27 CFR 26.199f

This information collection is aligned with:

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

IT Investment: None.

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

The information collected on TTB F 5110.31 provides a uniform format to identify distilled spirits shipped from a bonded Puerto Rican premises to a bonded premises in the United States without payment of tax, and to identify the spirits' Puerto Rican consignor and the United States consignee. TTB uses the form to prevent jeopardy to the revenue derived from spirits shipments, and to provide accountability for the Federal excise taxes collected on Puerto Rican distilled spirits processed and sold domestically in the United States since those taxes are transferred back to the government of Puerto Rico.

*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 the application form and the maintenance of the required records.

*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 5110.31 contains information pertinent to each respondent and applicable to the specific issue of tax-free shipments of Puerto Rican distilled spirits to the United States. As far as TTB is able to 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 to complete TTB F 5110.31 in order to meet the requirements of the Internal Revenue Code and TTB regulations. As this information collection requirement is necessary to protect the revenue, it 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?*

The completion of TTB F 5110.31 is necessary to ensure that a shipment to the United States is conducted in compliance with Federal law and TTB regulations, and to protect the revenue. Not conducting the collection or collecting the information less frequently would pose a jeopardy to the revenue, as there would be no accounting for distilled spirits being brought into the United States without payment of tax.

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 January 21, 2015, at 80 FR 3013. 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, Federal law at 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals, and 26 U.S.C. 6103 prohibits disclosure of tax returns and related information unless disclosure is specifically authorized by that section. Copies of TTB F 5110.31 are maintained by TTB in secure file rooms with controlled public access.

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. In addition, this information collection does not collect personally identifiable information (PII) in an electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this collection.

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

Prior TTB experience indicates that 20 respondents complete 50 forms per year, for a total of 1,000 forms per year. A respondent requires an average of 0.75 hours (45 minutes) to complete TTB F 5110.31. Therefore, the total annual burden hours for TTB F 5110.31 is 750 hours. (1000 annual forms x 0.75 hours = 750 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	570
Other Salary costs (review, supervisory, etc.)	900
<b>TOTAL COSTS</b>	<b>\$ 1,470</b>

Printing and distribution costs to the Federal government have decreased to \$0.00 due to the availability of TTB forms to the public on the TTB website ([www.ttb.gov](http://www.ttb.gov)).

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.*

TTB will not publish the results of this collection.

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. More importantly, this avoids confusion among users of the form when the OMB approval date may have passed but the form is approved under interim short-term approvals while the form is under OMB review but before OMB has taken action. In addition, TTB-regulated businesses will not have to update their stocks of paper forms or alter electronic copies of the form, including any 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.

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.
- (j) See item 3 above.

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

This collection does not employ statistical methods.