

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0008

Information Collection Request Title:

Application and Permit to Ship Liquors and Articles of Puerto Rican Manufacture Taxpaid to the United States.

Information Collections Issued under this Title:

-- TTB F 5170.7 — Application and Permit to Ship Liquors and Articles of Puerto Rican Manufacture Taxpaid to 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 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 and collects the Federal alcohol 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.

Section 7652 of the Internal Revenue Code of 1986 (26 U.S.C. 7652), provides that products of Puerto Rican manufacture shipped to the United States and withdrawn for consumption or sale are subject to a tax equal to the internal revenue tax imposed on like products manufactured in the United States, and that the taxes collected on such products are covered into the Treasury of Puerto Rico. (The IRC at 26 U.S.C. 5314 allows Puerto Rican spirits to be brought into the United States without payment of tax under certain circumstances. These shipments are documented on TTB F 5110.31 (OMB No. 1513-0043).)

The TTB regulations in 27 CFR part 26 provide that, with certain exceptions, the tax on distilled spirits, wine, and beer of Puerto Rican manufacture is to be paid by the consignor in Puerto Rico at the time of shipment. One exception is provided for deferred payment of taxes under bond. For each shipment to the United States of distilled spirits, wine, or beer that has been taxpaid or covered under bond for tax deferral, the shipper must apply for and obtain a permit to ship. The regulations addressing this permit to ship include:

27 CFR 26.114

27 CFR 26.116

27 CFR 26.118

27 CFR 26.115

27 CFR 26.119.

TTB F 5170.7 documents the shipment of such Puerto Rican liquors and articles to the United States, and the form is reviewed by Puerto Rican and U.S. officials to certify that products are either taxpaid or the tax is deferred under an appropriate bond. This serves as a method of protecting the revenue.

This information collection is aligned with:

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?

TTB F 5170.7 is used to show that the shipper has authorization from the Treasury of Puerto Rico to ship distilled spirit, wine, and beer upon which the tax has been paid or deferred under bond to the United States. The form is also reviewed by Puerto Rican and U.S. officials to certify that products are either taxpaid or deferred under appropriate bond. This serves as a method of protecting the revenue.

Also, TTB's chief of Puerto Rico operations uses TTB F 5170.7 to: (1) Verify the accuracy of prepayments of tax and semimonthly payments of deferred taxes; (2) maintain the account of revenue to be covered into the Treasury of Puerto Rico; (3) ensure that manufacturers and proprietors comply with Federal law and regulations; and (4) that the industry member's bond provides adequate protection of the revenue.

In addition, claimants of drawback of tax paid for nonbeverage products manufactured in Puerto Rico use this form to verify that the Federal excise tax had been paid on the distilled spirits contained in the product. (Drawback of taxes on eligible articles of Puerto Rican manufacture is addressed in TTB regulations in part 26, subpart I.) These forms also provide an efficient method of collecting the required information for the Federal excise tax on tobacco products and cigarette papers and tubes.

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 collection and maintenance of required information. TTB F 5170.7 is available, and electronically fillable-printable, on the TTB website at <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 5170.7 contains information pertinent to each respondent and their specific shipments of Puerto Rican liquors and articles 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 provide this information in order for TTB to comply with its obligation under 26 U.S.C. 7652. 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 5170.7 is necessary to ensure that an industry member's operations are conducted in compliance with Federal law and TTB regulations, and to protect the revenue. This form certifies to TTB and the Department of the Treasury of Puerto Rico that taxes have been paid or determined on a given shipment to the United States. If this information collection is not conducted, TTB could not ensure collection of the Federal excise taxes imposed by the IRC and to then transfer (cover over) the correct amount of those taxes to the Treasury of Puerto Rico.

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. Paper copies of TTB F 5170.7 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 10 forms per year, for a total of 200 forms per year. A respondent requires an average of 0.50 hours (30 minutes) to complete TTB F 5170.7. Therefore, the total annual burden hours for TTB F 5110.31 is 100 hours (200 forms annually x 0.50 hours/form = 100 hours).

However, the number of forms submitted by a respondent can vary and depends upon the number of shipments to the U.S. of Puerto Rican liquors or articles. There is no change in burden from the previous submission.

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.)	990
TOTAL COSTS	\$ 1,470

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate due to the availability of TTB forms to the public on the TTB website (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.