

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0026

Information Collection Request Title:

Claim for Drawback of Tax on Tobacco Products, Cigarette Papers, and Cigarette Tubes

Information Collections Issued under this Title:

- TTB F 5620.7 – Claim for Drawback of Tax on Tobacco Products, Cigarette Papers, and Cigarette Tubes

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 chapter 51 (distilled spirits, wine and beer), chapter 52 (tobacco products and cigarette papers and tubes), and sections 4181-4182 (firearms and ammunition excise taxes) of the Internal Revenue Code of 1986, as amended, (IRC, 26 U.S.C.) 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. 5706 provides for the drawback of Federal excise tax paid on tobacco products and cigarette papers and tubes when shipped from the United States in accordance with prescribed bond and other requirements established by regulation. The drawback provisions appear in the TTB regulations at 27 CFR 44.221 through 44.232, under which an exporter of tobacco products or cigarette papers or tubes, who paid excise taxes on the products, may claim drawback of that tax by complying with prescribed requirements, including the filing of a claim on TTB F 5620.7.

Under the applicable regulations, an exporter must file a TTB F 5620.7 in sufficient time to permit the appropriate TTB officer to inspect the articles to be exported and supervise the affixture of a drawback label or notice on them. When the TTB officer is satisfied that the articles have in fact been taxpaid by the claimant and that each package bears the label or notice required by 27 CFR 44.222, the TTB officer supervises the packing of the articles into shipping containers and releases the shipment to the claimant for delivery to the port of exportation. The claimant must file the TTB F 5620.7 with the district director of customs at the port of exportation in sufficient time to allow Customs inspection and supervision of lading. If the export takes place by parcel post, the postmaster executes a certificate of mailing on the claim form, in place of the actions of the district director of customs. Each claim for drawback of tax must be accompanied by the filing of a bond in an amount not less than the amount of tax for which drawback is claimed, conditioned that the claimant will, within a reasonable time, furnish satisfactory evidence that the articles exported

were actually delivered beyond the jurisdiction of the internal revenue laws of the United States, or were lost or destroyed.

The TTB regulations regarding drawback and that reflect information collection requirements are found in 27 CFR:

44.222	44.225	44.226
44.228	44.229	44.230
44.231		

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 collects this information in order to protect the revenue. TTB uses the information collected to ensure that drawback of Federal tobacco excise tax is only provided to those eligible to claim it. TTB uses the proof of exportation to ensure that the tobacco products and cigarette papers and tubes subject to a drawback claim actually landed outside of the United States, and to maintain accountability over the articles upon which drawback is claimed.

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 the required information.

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 5620.7 collects information pertinent to each respondent and applicable to his/her specific claim for drawback of Federal excise tax on tobacco products and cigarette papers and tubes exported from 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 by regulation to complete this information collection requirement should they choose to claim drawback of Federal excise taxes paid. Waiver or reduction of this requirement, simply because the respondent's business is small, could jeopardize 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?*

Respondents complete this information only as often as necessary to comply with the statute and regulations. Not collecting this information or collecting the information less frequently 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.*

A 60-day Federal Register notice was published for this information collection on Thursday, March 12, 2015, 80 FR 13073. The notice solicited comments from the general public. TTB received no comments.

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. TTB maintains these records in secure file rooms and computer systems with controlled 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.

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 and published in the Federal Register on January 28, 2015, at 80 FR 4637. 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?

Based on data provided by TTB personnel who process this form, approximately 50 respondents file an average of one TTB F 5620.7 claim form per year. We estimate a respondent will take 30 minutes to complete the form. Therefore, the total burden for this form is 25 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)?

No cost is associated with this collection.

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

Given the low number of TTB F 5620.7 forms submitted to TTB, there is very minimal cost to the Federal Government associated with this collection.

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

A reduction of 94 respondents is due to an adjustment in TTB estimates of the number of claims filed. The TTB F 5620.7 requires a bond, so respondents who file TTB F 5200.14, "Taxable Articles Without Payment of Tax," (OMB #1513-0027) or TTB F 5200.17, "Bond-Drawback of Tax on Tobacco Products, Cigarette Papers, or Tubes" would not need to file a TTB F 5620.7 to receive a drawback. A total of 97 burden hours is requested.

Also, a correction is being made to remove a duplicate information collection (IC) which had incorrectly categorized respondents (obligation to respond). All respondents have been consolidated into a single IC.

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.

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. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.