

## ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

### Supporting Statement -- Information Collection Request

OMB Control Number 1513-0112

#### Information Collection Request Title:

Alcohol Special (Occupational) Tax Registration and Return; Alcohol Dealer Registration (For Use On and After July 1, 2008); and Special Tax Registration and Return – Tobacco

#### Information Collections Issued under this Title:

- TTB F 5630.5a – Alcohol Special (Occupational) Tax Registration and Return – For Periods Ending On or Before June 30, 2008;
- TTB F 5630.5d – Alcohol Dealer Registration – For Use On and After July 1, 2008;
- TTB F 5630.5t – Special Tax Registration and Return – Tobacco.

#### 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.

On August 10, 2005, President Bush signed into law the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users,” Public Law 109-59 (the Act). Section 11125 of the Act permanently repealed, **effective July 1, 2008**, the special (occupational) taxes (SOT) on:

- alcohol beverages producers and marketers,
- non-beverage products manufacturers,
- tax-free alcohol users, and
- specially denatured spirits users and dealers.

Although the tax has been repealed for the alcohol-related occupations mentioned above, recordkeeping and registration requirements remain. Further, any tax liabilities that were incurred for periods before the law's effective date remain. (However, there is no liability for alcohol occupations, other than users of tax-free alcohol and users and dealers of specially denatured spirits, during the previously enacted 3-year tax suspension that ran from July 1, 2005, through June 30, 2008.)

Section 11125 of the Act did not affect the SOT imposed on specified tobacco occupations by the IRC at 26 U.S.C. 5731. Therefore, the following entities must continue to register and pay the SOT every year:

- manufacturers of tobacco products,
- manufacturers of cigarette papers and tubes, and
- tobacco export warehouse proprietors.

The registration and tax for these entities is due on or before the date of commencing business, and on or before July 1 of every year after that.

As noted above, although the Act repealed the payment of tax for some industry members, the requirement to register remains. Therefore, to cover all possibilities, TTB has three separate forms related to registration and SOT taxation: TTB F 5630.5t is designed for industry members who must continue to pay SOT and, as a result, it must be filed by export warehouse proprietors, manufacturers of tobacco products and manufacturers of cigarette papers and tubes; TTB F 5630.5d pertains to the registration requirements in effect on and after July 1, 2008 for certain alcohol dealers; and TTB F 5630.5a pertains to the registration and/or tax payment requirements that were in effect on and before June 30, 2008 for certain alcohol-related occupations.

The implementing regulations regarding the registration and payment of SOT and that reflect information collection requirements are found in 27 CFR:

31.11	40.31	46.101
31.112	40.359	46.107
31.113	40.371	46.116
31.114		46.119
31.115		46.120
31.116	44.31	46.126
31.121		46.127
31.122		46.131
31.123		46.132
31.124		
31.125		
31.131		
31.132		
31.133		
31.134		
31.135		
31.136		
31.138		
31.234		

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 5630.5a is to be completed by persons who are already in business but have failed to register or pay the SOT on or prior to June 30, 2008. TTB F 5630.5d is to be completed by new wholesale and retail liquor dealers and by existing wholesale and retail liquor dealers required to register changes in business operations. However, businesses that file a registration or brewer's notice under the qualification provisions of Parts 19, 24, or 25 of the TTB regulations do not have to file TTB F 5630.5d.

TTB F 5630.5t is to be completed by manufacturers of tobacco products and cigarette papers and tubes, as well as tobacco export warehouse proprietors, to register and pay SOT.

The forms are used to compute and report the tax, or as applications for registry as required by statute. TTB's National Revenue Center (NRC) is responsible for maintaining the accounting records to accurately reflect each taxpayer's liabilities and payments. The NRC is also responsible for processing taxpayers' SOT returns.

TTB's staff will examine the returns and use automated methods to determine whether:

- a) the return was timely filed;
- b) the return is mathematically correct;
- c) the taxpayer has properly registered;
- d) the taxpayer has accounted for all businesses and any change of the number of locations, or if there has been a change in control of the business;
- e) the taxpayer has notified TTB that the business has been discontinued; and
- f) the taxpayer has satisfied his/her full SOT liability.

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. The forms subject to this information collection are fillable and printable on TTB's website at <http://www.ttb.gov/forms/>.

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?*

Many alcohol beverage dealers do not otherwise register with TTB, and there is no similar information already available. However, TTB considers applications for registration and brewer's notices filed by distilled spirits plants, breweries, wineries, bonded wine warehouses, and taxpaid bottling houses under the qualification provisions of 27 CFR parts 19, 24, or 25 as a registration for SOT purposes and does not require a TTB F 5630.5d to be filed.

For tobacco businesses, TTB F 5630.5t contains information pertinent to each respondent and is used for registration and payment of SOT. 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?*

TTB has minimized the burden on all entities by (1) considering alternatives to registration as described in our answer to number 4 above; and (2) requiring that the forms be submitted only when tax is due or changes to the information provided on the registration forms occurs.

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 the use of these forms, the Federal SOT payment and registration requirements imposed by statute would not be enforced. These forms are used only as often as necessary to adhere to statutory requirements.

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 Thursday, March 12, 2015, 80 FR 13073. 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. 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?*

Summary of burden:

TTB F	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
5630.5a	50	1	50	0.42	20
5630.5d	8,000	1	8,000	0.42	3,333
5630.5t	300	1	300	0.42	125
TOTALS	8,350		8,350		3,478

It takes each respondent approximately 25 minutes to complete the applicable form. The total burden is approximately 3,478 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 to respondents associated with this collection.

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

The estimated annual cost to the Federal Government for these forms is \$175,000. Included in this total cost is cost for printing, distribution, and clerical and administrative cost.

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

The burden for this collection has decreased due to several factors:

1) TTB F 5630.5a is completed by persons who are already in business, but have failed to register or pay the special (occupational) tax (SOT) on or prior to June 30, 2008. The number of respondents has decreased because most are in compliance. A reduction of 13,950 respondents and 5,813 burden hour is attributed to this adjustment.

2) TTB F 5630.5d is completed by new wholesale and retail liquor dealers and by existing wholesale and retail liquor dealers required to register changes in business operations. However, businesses that file a registration or brewer's notice under the qualification provisions of 27 CFR Parts 19, 24, or 25 of the TTB regulations do not have to file TTB F 5630.5d since their registration or notice filed under those provisions fulfills the SOT registration requirement. A reduction of 12,000 respondents and 5,000 burden hours is attributed to this program change.

3) TTB F 5630.5t is completed by tobacco industry respondents and the number of such respondents engaged in business has decreased. A reduction of 700 respondents and 292 burden hours is due to an adjustment.

A total of 3,478 burden hours is requested.

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.

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

This collection does not employ statistical methods.