

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0090

Information Collection Request Title:

Excise Tax Return – Alcohol and Tobacco Products (Puerto Rico)

Information Collections Issued under this Title:

- TTB F 5000.25, Excise Tax Return – Alcohol and Tobacco (Puerto Rico)

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.

TTB is responsible for the collection of the excise taxes on distilled spirits, wine, beer, tobacco products, and cigarette papers and tubes imposed by 26 U.S.C. chapters 51 and 52. Under 26 U.S.C. 7652, these taxes apply to articles of merchandise of Puerto Rican manufacture coming into the United States. Under 26 U.S.C. 5061(a) and 26 U.S.C. 5703(b), taxes are collected on the basis of a return.

The following sections of the TTB regulations, which are contained in title 27 CFR, prescribe the use of TTB F 5000.25, Excise Tax Return – Alcohol and Tobacco (Puerto Rico) for the collection of the tax:

26.81	26.110	41.105
26.96	26.112	41.112
26.105	26.113	41.114

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?

The information requested on the return is necessary to establish the taxpayer's identity, the amount and type of taxes due, and the amount of payments made. TTB has used and will continue to use this information to determine whether the taxpayer has paid the correct amount of tax and to take additional action, such as collection or refund, where the amount paid does not equal the amount that should be or is shown on the return. TTB examines each return at least once. Additional examination is often performed by TTB during on-site examinations of the taxpayer.

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. Currently, TTB F 5000.25 is available on TTB's Web site as a fillable, printable form.

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 5000.25 contains information pertinent to each respondent and applicable to his/her specific return. 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?

This information collection does not have a significant impact on a substantial number of small businesses or other small entities. In any event, all entities, regardless of size, are required by statute to file an excise tax return. 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?

This return is essential to TTB's excise tax collection responsibilities. The absence of this information would seriously jeopardize TTB's excise tax collection on alcohol and tobacco.

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?

The Internal Revenue Code (IRC) requires semi-monthly payment of excise taxes for distilled spirits, wine, and beer brought into the United States from Puerto Rico. See section 5061(d)(3) of the IRC (26 U.S.C. 5061(d)(3)), which sets forth the general rule that the last day for payment of tax on such products shall be the 14th day after the last day of the semimonthly period during which the product is brought into the United States from Puerto Rico. Sections 5061(d)(4) and 5061(d)(5) of the IRC (26 U.S.C. 5061(d)(4) and 5061(d)(5)), respectively, set forth specific exceptions to this general rule in the case of certain taxpayers with smaller tax liabilities (the “quarterly filing” rule) and in the case of the three tax payment periods in September (the “accelerated payment” rule).

Under 26 U.S.C. 5061(a) and 26 U.S.C. 5703(b), these taxes are collected on the basis of a return. Therefore, by statute, most alcohol excise taxpayers filing TTB 5000.25 are required to submit 25 tax return forms per year (two per month, but three in September). The statutory requirements for excise tax filing periods are explained in the TTB regulations at 27 CFR 26.112).

By regulation, as authorized by the IRC at 26 U.S.C. 7652(a)(2), TTB also requires tobacco excise tax payers to follow the same semi-monthly payment and filing schedule noted above; see 27 CFR 41.114.

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 comment request notice was published in the Federal Register on Thursday, March 12, 2015, at 80 FR 13072. The notice solicited comments from the general public on this information collection. TTB received no comments in response to this notice.

9. What decision was made to provide any payment or gift to respondents, other than remuneration of contractors or grantees?

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 is protected by 26 U.S.C. 6103.

The form also contains two Privacy Act statements; the first statement regards information contained on a respondent’s check; the second covers the return form as a whole.

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?

There are 24 respondents to this information collection. Of these, 6 filed quarterly (6 respondents x 4 times annually = 24 yearly responses) and 18 filed 25 times annually (18 respondents x 25 annual responses = 450 yearly responses) for a total of 474 annual responses.

TTB estimates that each response takes 45 minutes to complete. Therefore, 474 annual responses x 45 minutes each = 355.5 hours of annual burden.

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information (excluding the value of the burden hours in Question 12 above)?

The estimated total annual cost burden associated with this collection is \$ 4,065.

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

Estimates of annual cost to the Federal Government are as follows:

Printing & Distribution	\$ 500
Clerical costs (filing)	25,000
Other Salary (examination, supervisory, etc.)	1,255,000
Overhead	125,500
TOTAL:	\$ 1,280,500

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

Burden: An increase of 237 burden hours (from 119 hours to 356 hours) is an adjustment to correct the burden per response, which was inadvertently underreported in the past. We have increased the burden from 15 minutes to 45 minutes per response.

Previously, the burden for this collection was reported incorrectly in ROCIS as 15 minutes per respondent, rather than the correct 45 minutes per respondent as listed in the Paperwork Reduction Act statement on the form itself. In this supporting statement and the related ROCIS entry, TTB is correcting the burden estimate and the burden will therefore increase from 119 hours to 355.5 hours.

Form TTB F 5000.25: On the form, TTB is removing Item 37 because data on large cigar statistical classes is no longer required. Since Item 37 is being removed, we are increasing the space to respond to Item 5, which some respondents overlook due to the small size of the space provided for the answer. In addition, in the mailing address contained in the instructions for Item 14, we are updating the position title of "District Director" to "Chief, PR Operations."

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

We 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.
- (j) See item 3 above.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.