

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement – Information Collection Request**

**OMB Control Number 1513–0027**

Information Collection Request Title:

Removals of Tobacco Products, Cigarette Papers and Tubes Without Payment of Tax

(Formerly titled: Taxable Articles Without Payment of Tax)

Information Collections Issued under this Title:

TTB F 5200.14, Removals of Tobacco Products, Cigarette Papers and Tubes Without Payment of Tax

(Formerly: TTB F 5200.14, Taxable Articles 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 chapter 51 (distilled spirits, wine, and beer), chapter 52 (tobacco products, cigarette papers and tubes, and processed tobacco), 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. 5704(b) provides, among other things, that a manufacturer or export warehouse proprietor may transfer tobacco products and cigarette papers and tubes, without payment of tax, to the bonded premises of another manufacturer or export warehouse proprietor, or remove such articles, without payment of tax, for shipment to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, or for consumption beyond the jurisdiction of the internal revenue laws of the United States, in accordance with such regulations as the Secretary shall prescribe. The IRC at 26 U.S.C. 5722 further requires manufacturers of tobacco products and export warehouse proprietors to make reports as the Secretary may require by regulation.

The TTB regulations issued under section 5704(b) of the IRC, and the related reporting requirements issued under section 5722, are contained in 27 CFR Part 44. The regulations

provide for removals, without payment of tax, of tobacco products and cigarettes papers and tubes by a manufacturer (including a customs bonded manufacturing warehouse) or by an export warehouse proprietor for the following purposes: exportation to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States; transfer to a Federal department or agency, including the U.S. Armed Forces, for subsequent export; or transfer to a vessel or aircraft for use as supplies for the vessel or aircraft. The regulations also allow a manufacturer or export warehouse proprietor to make removals of these articles for transfer to an export warehouse or foreign-trade zone.

TTB F 5200.14 is used to ensure that removals, without payment of tax, of tobacco products and cigarettes papers and tubes are appropriately delivered for the purposes described above. For articles removed for direct exportation or transfer, the manufacturer or export warehouse proprietor making the removal is liable for the tax on the articles so removed until he provides satisfactory evidence of exportation or transfer. The manufacturer or export warehouse proprietor records such removals of articles on TTB F 5200.14 and provides it to TTB along with proof of export or transfer. An appropriate customs officer's certification on TTB F 5200.14 may serve as proof of export.

For articles removed for delivery to an export warehouse or foreign-trade zone for subsequent exportation or transfer, the manufacturer or export warehouse proprietor making the removal is liable for the tax on the articles so removed until the articles are received, as required by regulation, by the recipient export warehouse or foreign-trade zone. The manufacturer or export warehouse proprietor records such removals on TTB F 5200.14, which is also signed by the recipient or a customs officer, certifying the appropriate receipt of the products.

The regulations at 27 CFR 44.213 allow an export warehouse proprietor to destroy tobacco products or cigarette papers and tubes under TTB supervision. The export warehouse proprietor must record such destructions on TTB F 5200.14, which will be certified by the TTB officer supervising the destruction. The regulations also allow an export warehouse proprietor to remove tobacco products and cigarette papers and tubes, without payment of tax, for return to the factory of the original manufacturer. An export warehouse proprietor records such removals on TTB F 5200.14, which is also certified by the recipient manufacturer, then submits a copy of the certified form to the appropriate TTB and customs officers.

A manufacturer or export warehouse proprietor making removals of tobacco products or cigarette papers and tubes, without payment of tax, for transfer to a class 9 customs bonded warehouse operated by a duty-free enterprise must record such removals on TTB F 5200.14 and provide a copy to the appropriate customs officer.

The TTB regulations in 27 CFR that implement this information collection are as follows:

44.142	44.198	44.199	44.200	44.201
44.202	44.203	44.204	44.205	44.206
44.207	44.207a	44.208	44.210	44.213
44.256	44.257	44.258	44.259	44.260
44.261	44.262	44.263	44.264	44.264a
44.265	44.266	44.267		

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?*

TTB collects the information on TTB F 5200.14 to protect the revenue. TTB gathers this information to monitor the movement of taxable articles and prevent diversion of nontaxpaid articles out of legal channels. The TTB regulations in 27 CFR part 44 prescribe this form to document certain removals of tobacco products and cigarette papers and tubes, without payment of tax, for export, or for consumption beyond the jurisdiction of the internal revenue laws of the United States. The part 44 regulations also prescribe this form for certain destructions.

When TTB F 5200.14 is properly completed, it provides TTB with evidence of export or transfer, or documents the destruction by an export warehouse proprietor, of nontaxpaid tobacco products and cigarette papers and tubes. TTB staff compare these forms with manufacturers' and proprietors' periodic reports to ensure that all removals are documented and receipt of delivery for subsequent export is verified.

*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 5200.14 is available as a fillable and printable form on the TTB Web site (see <http://www.ttb.gov/forms/index.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 5200.14 collects information that is pertinent to each respondent and applicable to the respondent's specific operations involving removals of taxable articles without payment of tax. 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 provide this information in order to protect the revenue. Waiver or reduction of this requirement, simply because the respondent's business is small, could jeopardize the Federal 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?*

If TTB were not able to collect this information, then TTB would not fulfill its statutory obligations to protect the revenue. This information is collected only as often as necessary to ensure that articles removed without payment of tax are not diverted into domestic commerce. A less frequent information collection would jeopardize TTB's ability to protect the revenue and to take timely action on potential diversion.

*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.*

TTB published a "60-day notice" in the Federal Register on May 28, 2015, at 80 FR 30539, soliciting comments from the public on the renewal of this information collection. TTB received no comments on this information collection.

*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, the confidentiality of the tax-related information collected on this form is protected by 26 U.S.C. 6103. The TTB F 5200.14 forms submitted to TTB are maintained in secure government offices 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. 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?*

TTB estimates that there are 280 respondents to this information collection, and that each respondent files an average of 220 forms per year. TTB estimates that each response takes 1 hour to complete. Therefore, the total annual burden for this collection is 61,600 hours.

(280 respondents x 220 annual responses x 1 hour per response = 61,600 burden hours.)

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

There is no cost associated with this information collection.

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

The clerical and other costs associated with this information collection total \$8,200.

Printing and distribution costs have been deleted from TTB's cost estimate because this form is available to the public for downloading and printing on the TTB Web site.

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

There are no program changes or adjustments associated with this information collection. There are, however, non-substantive changes being made to the form.

Non-substantive changes:

- The title of this information collection and the title of TTB F 5200.14 have been changed from "Taxable Articles Without Payment of Tax" to "Removals of Tobacco Products, Cigarette Papers and Tubes without Payment of Tax" in order to make clear the purpose of the collection and form.
- On the form, TTB F 5200.14, we have added a continuation page for Item 10, Shipment Description (see page 7 of the form). On the fillable-printable version of the form posted on the TTB Web site, Items 1 through 4 on the continuation page will automatically populate with the same information for those items as entered on page 4 of the form.
- On the form, in Item 10 on page 4, the horizontal lines separating entry rows have been removed; the width of column (a) has been increased and the width of column (e) has been decreased; and a check box has been added to affirm the use of the continuation page (page 7).
- On the form, the word "factory" has been removed from the heading of Part IV because it is superfluous.
- On the form, the format of a footnote and the street address of TTB as listed in the Paperwork Reduction Act notice have been corrected.

- The form, as posted on the TTB Web site, has been modified to allow the user to electronically save the data within the form, allowing the user to revise or print the form at a later time.

*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.
- (j) See item 3 above.

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

This collection of information does not employ statistical methods.