

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0029

Information Collection Request Title: Certificate of Tax Determination — Wine.

Information Collections Issued under this Title:

- TTB F 5120.20, Certificate of Tax Determination — Wine.

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, processed tobacco, 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. 5062 authorizes the drawback of the Federal excise tax paid or determined on domestic distilled spirits and wines exported from the United States, under regulations prescribed by the Secretary, including requirements for “evidence indicating payment or determination of tax and exportation as shall be deemed necessary.”

Under this authority, TTB has issued regulations concerning excise tax drawback claims for domestic wines exported from the United States, which are codified in 27 CFR Part 28, Exportation of Alcohol, Subpart K, Exportation of Wine With Benefit of Drawback. Under these regulations, exporters may file drawback claims for the excise tax paid on domestic wines exported from the United States, laden for use as supplies on certain vessels or aircraft, transferred to a foreign-trade zone, or transferred for export to Armed Forces of the United States. Under 27 CFR 28.214, exporters must file all such claims on form TTB F 5120.24, Drawback on Wines Exported, which is approved under OMB control number 1513-0016.

As for this information collection, the TTB regulation at 27 CFR 28.215 requires that each drawback claim made on TTB F 5120.24 “shall be supported by a certificate” executed on form TTB F 5120.20 “(a) by the person who withdrew the wine from bond on tax determination, certifying that all taxes have been properly determined on such wine, or (b) where the wine was bottled or packaged after tax determination, by the person who did

such bottling or packaging, certifying that the wines so bottled or packaged were received in taxpaid status and specifying from whom they were so received.” The regulation also provides that the exporter is responsible for securing the properly executed form and submitting the original with the related drawback claim.

TTB F 5120.20 protects the revenue by supporting a wine exporter's claim for tax drawback made on TTB F 5120.24 by requiring certification that the excise tax was paid or determined on a specified amount and kind of wine containing a specified amount of alcohol by volume, all of which may affect a wine's tax rate.

This information collection is aligned with:

- Line of Business/Sub-function: General Government/Taxation Management.
- IT Investment: Tax Major Application System.

2. How, by whom, and for what purpose is this information used?

TTB F 5120.20 requires the exporter to describe the wines exported. The exporter is also responsible for securing the certification of the producer, bottler, or packager that the wines were produced in the United States and were taxpaid on withdrawal from bond. The exporter provides the original of the TTB F 5120.20, together with the related drawback claim form, to TTB.

TTB uses the information collected on TTB F 5120.20 to verify that the wines in question were produced in the United State and were taxpaid on withdrawal from bond. The form also allows TTB to determine the correct tax class of the wine for which drawback is being requested. Together, this information helps to protect the revenue by preventing payment of unverified tax drawback claims.

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 5120.20 is available as a fillable-printable form on the TTB Web site at <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 5120.20 collects information that is unique to each respondent's tax drawback claim for exported wines. As far as TTB can 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?*

To protect the revenue, all export drawback claimants, regardless of size, are required by regulation to submit this certification form. The information required on the form is necessary to verify that the wines in question were produced in the United States and were correctly taxpaid on withdrawal from bond. This requirement cannot be waived or reduced 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?*

Not collecting this information, or collecting it less frequently, would place the revenue in jeopardy by permitting unverified drawback claims to be paid, or would cause drawback claims to be denied or underpaid.

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?*

No special circumstances are 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 13, 2016, at 81 FR 1679. 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 26 U.S.C. 6103 prohibits disclosure of tax related information unless disclosure is specifically authorized by law. TTB maintains its copy of this information collection in secure office space with controlled access and in password-protected computer systems.

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?*

As noted above, drawback claims for wines exported are made on form TTB F 5120.24, approved under OMB control number 1513–0016, and each drawback claim form must be accompanied by one or more certificates of tax determination for the exported wines, which are executed on form TTB F 5120.20, approved under this OMB control number, 1513–0029.

Currently, TTB estimates that 30 respondents annually file an average of 33.33 certificates of tax determination executed on TTB F 5120.20 for their drawback claims, for a total of 1,000 annual responses to this information collection. TTB also estimates that each response to TTB F 5120.20 takes 0.5 hours to complete, for an estimated total annual burden of 500 hours for this collection.

(30 respondents X 33.33 responses per respondent per year = 1,000 annual responses X 0.5 hours per response = 500 total annual burden 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)?*

This information collection is largely compiled from usual and customary records kept during the normal course of business, such as receipt and shipping records for wine. As such, TTB believes that this information collection imposes no additional annualized capital, start-up, maintenance, or operational costs upon respondents.

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

Estimates of the annual cost to the Federal Government for this information collection are:

Printing costs	\$ 0
Distribution costs	0
Clerical costs	320.00
Other Salary costs (review, supervisory, etc.)	1,100.00
TOTAL COSTS	\$ 1,420.00

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 Web site at <http://www.ttb.gov/forms/index.shtml>.

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

There are no program changes. As for adjustments, we are amending the obligation to respond for this information collection, and we are adjusting the number of respondents and their number of annual responses to better reflect actual usage of TTB F 5120.20 by respondents.

Previously, we reported this information collection under two obligations to respond —“mandatory” and “required to obtain or retain a benefit,” with the burden estimate split between these two obligations. There is no mandatory obligation to respond to this information collection. Therefore, all responses are now reported as “required to obtain or retain a benefit,” which in this case is drawback of tax. Also, we previously reported the estimated burden for this information collection as 1,000 respondents making one annual response each, for a total of 1,000 responses, at one-half hour for each response, for a total estimated annual burden of 500 hours. To better reflect the respondents' actual use of TTB F 5120.20, we are adjusting the burden estimate from 1,000 respondents making one annual response, to 30 respondents making an average of 33.33 annual responses. Thus, the total number of annual responses remains 1,000, and the estimated total annual burden remains 500 hours.

In addition, on TTB F 5120.20, we are updating the TTB headquarters address listed in the form's Paperwork Reduction Act notice.

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. Similarly, TTB-regulated businesses will not have to update their stocks of paper forms or alter electronic copies of the form, including any marginally-punched continuous printed 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. Additionally, not displaying the OMB approval expiration date on this form will avoid confusion among members of the public who may have identical forms with different expiration dates in their possession. By not displaying the expiration date, supplies of the form could continue in use regardless of when OMB's approval has expired.

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.