

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0067**

Information Collection Request Title:

Wholesale Alcohol Dealer Recordkeeping Requirement Variance Requests and Approvals, TTB REC 5170/6.

(Formerly: Wholesale Dealers Applications, Letterheads, and Notices Relating to Operations (Variations in Format or Preparation of Records) (TTB REC 5170/6).

**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 Internal Revenue Code at 26 U.S.C. 5121 requires wholesale alcohol dealers to keep a daily record of the distilled spirits received and disposed of by the dealer "in such form and at such place and containing such information" as the Secretary may prescribe by regulation. Under this authority, the TTB regulations in 27 CFR Part 31, Alcohol Beverage Dealers, require wholesale dealers to keep at their place of business a daily record of their receipt and disposition of distilled spirits. Under these regulations, these records must be part of the dealer's accounting system and include the dealer's own file copies of the receiving and shipping invoices, or, if those are not available on the day of receipt, shipment, or discovery of casualty, theft or recorded inventory loss, a memorandum record containing the required information. (These wholesale dealer recordkeeping requirements are approved under a separate OMB information collection control number, 1513-0065.)

As authorized at 27 CFR 31.159, in order to allow for the use of data processing equipment, other business machines, or existing accounting systems, a wholesale alcohol dealer may submit an application to the appropriate TTB officer for approval of variances in the type, format, and preparation method of the required records. Also, as authorized at 27 CFR 31.172, wholesale dealers may apply for variations in the place where these records must be maintained for TTB inspection. These applications must describe the proposed variation and set forth the need for it. Review of these applications by TTB personnel is necessary in

order to determine that the variance will not jeopardize the revenue, be contrary to any provision of law, or unduly hinder the effective administration of 27 CFR part 31.

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 uses the applications submitted under this information collection to determine if the proposed variances would jeopardize the revenue, be contrary to any provision of law, or unduly hinder the effective administration of 27 CFR part 31.

*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 will consider the use of improved information technology on a case-by-case basis. This information collection consists of wholesale alcohol dealer applications for variances to certain TTB recordkeeping requirements. The circumstances for each application are specific to the applicant. The respondent burden for such applications is minimal.

This information collection allows alcohol beverage dealers to apply to TTB to use data processing equipment, other business machines, or existing accounting systems to meet the relevant recordkeeping requirements approved under 1513–0065. These applications allow TTB to approve the use of improved technologies for such records that meet the applicant's specific business circumstances.

*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?*

The application required under this information collection contains information pertinent to each respondent and applicable to their specific proposed type, format, or method of recordkeeping, or their place of retention, for the wholesale alcohol dealer records required by the TTB regulations. As far as TTB is 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?*

All entities, regardless of size, desiring a variance to the wholesale alcohol dealer recordkeeping requirements are required to submit an application to TTB. In order to protect the revenue, this requirement cannot be waived simply because the respondent's business is small. Each variance requires a one-time application, and, as such, this information collection does not have a significant impact on a substantial number of small businesses or other entities.

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?*

By allowing wholesale alcohol dealers to apply for variances to the applicable TTB recordkeeping requirements, we provide respondents flexibility in meeting those requirements. Such applications allow TTB to determine if such a variance poses a jeopardy to the revenue, is contrary to any provision of law, or would hinder effective administration of 27 CFR part 31.

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 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 for this information collection. However, Federal law at 5 U.S.C 522 and 26 U.S.C. 6103 protects the confidentiality, respectively, of proprietary business information and taxpayer information obtained by the government, unless disclosure is specifically authorized by law. TTB maintains its copies of these applications in secure office space and 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 does not contain any 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 recent experience, TTB estimates 10 respondents file an average of one application per year for a variance to TTB's wholesale alcohol dealer recordkeeping requirements. TTB estimates that each response takes 30 minutes (0.5 hours) to complete. Therefore, the estimated total annual burden for this information collection is 5 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 annual cost to respondents associated with this collection.

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

The cost to the Federal Government associated with this collection is \$150.00.

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

There are no program changes associated with this collection.

Adjustments: TTB is reducing the burden estimate for this collection. Most existing wholesale alcohol dealers using record types, formats, or preparation methods (including the use of electronic recordkeeping systems) not expressly prescribed in the TTB regulations have already applied for and received TTB approval for variances to the relevant recordkeeping requirements. Therefore, we are decreasing the estimated number of annual respondents to this information collection from 1,029 to 10 and we are reducing the resulting annual burden hours for this collection from 515 to 5 hours.

Other changes: We are revising the title of this information collection to more clearly reflect its purpose.

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?*

This information collection consists of applications for variances from the TTB regulations concerning the keeping of wholesale alcohol dealer records. There is no prescribed TTB form for this collection, and, as such, there is no medium for TTB to display the OMB approval expiration date.

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.