

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement -- Information Collection Request**  
**OMB Control Number 1513-0063**

Information Collection Request Title:

Still: Notices, Registrations, and Records (TTB REC 5150/8).

**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.

Under the IRC at 26 U.S.C. 5001, distilled spirits for non-industrial use are taxed at a base rate of \$13.50 per proof gallon, a rate far exceeding the spirits' production cost. The illegal production of distilled spirits would result in substantial jeopardy to Federal tax revenues. Therefore, TTB historically has regulated stills.

The relevant sections of the IRC and TTB's implementing regulations in 27 CFR Part 29, Stills and Miscellaneous Regulations, establish a comprehensive system for regulating stills. This information collection covers all notices, registrations, records mandated or authorized by law or regulation with respect to stills. The requirements contained in this information collection are:

- a. Notice of manufacture of still (26 U.S.C. 5101 and 27 CFR 29.47). Where deemed necessary to protect the revenue, TTB may require a manufacturer to file a letterhead notice before removing a still from its place of manufacture.
- b. Notice of set up of still (26 U.S.C. 5101 and 27 CFR 29.49). When deemed necessary to protect the revenue, TTB may require a manufacturer to file a letterhead notice before setting up a still.
- c. Registration (26 U.S.C. 5179 and 27 CFR 29.55). Every person who has possession, control, or custody of a still must register the still or distilling apparatus on the registration or permit application prescribed in title 27 Code of Federal Regulations for qualification under 26 U.S.C. chapter 51, or if qualification is not required, by letter

application to TTB. When a registered still is removed, sold, or otherwise disposed of, the registrant must notify TTB of this change by letterhead notice.

- d. Records (27 CFR 29.59). Every manufacturer and vendor of stills must maintain at their premises a record pertaining to all stills manufactured, received, removed, or otherwise disposed of. No specific format is prescribed and the record may consist of usual and customary business records if the required information is shown. Records will be retained for 3 years.

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 data from this information collection to maintain accountability over stills and to verify their registration. TTB also uses this collection to establish whether a person who intends to use a still is qualified to conduct distilling operations and has complied with other pertinent laws and regulations. The potential for a loss in Federal tax revenue through illegal production of distilled spirits would increase substantially without this collection of information.

*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.

*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 letterhead applications and notices required under this information collection contain information pertinent to each respondent and applicable to the specific issue of regulating the manufacture, setup, and registration of stills. 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 27 CFR part 29 to submit letterhead applications or notices before they can manufacture, set up, or register a still. Waiver or reduction of this requirement, simply because the respondent's business is small, could jeopardize collection of the revenue. However, this collection of information 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?*

TTB believes these reporting requirements to be the minimum necessary to ensure compliance with the IRC and the regulations related to the manufacture, setup, and registration of stills. Therefore, less frequent collection of this information would pose jeopardy to the revenue.

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 February 24, 2016, at 81 FR 9245. 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?*

The confidentiality of information TTB obtains from regulated individuals is protected under the provisions of 26 U.S.C. 6103 and 5 U.S.C. 552.

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?*

Based on recent experience, TTB estimates the burden associated with this information collection as follows: There are 10 respondents to this information collection, each filing an

average of 4 responses per year, for a total of 40 annual responses. TTB estimates that each response takes 1.06 hours to complete (evenly divided between reporting and recordkeeping), for an estimated total annual burden of 42.4 hours.

(10 respondents X 4 responses/year = 40 annual responses X 1.06 hours/response = 42.4 hours of annual burden.)

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?*

There is no annualized cost to the Federal Government associated with this collection.

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

There are no program changes or adjustments associated with this collection.

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?*

There is no prescribed TTB form for this collection. Therefore, 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.