

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement -- Information Collection Request**  
**OMB Control Number 1513-0092**

Information Collection Request Title:

Marks on Wine Containers, TTB REC 5120/3.

Information Collections Issued under this Title:

- TTB REC 5120/3, Marks on Wine Containers.

**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 authority of the IRC at 26 U.S.C. 5357, 5368, 5388, and 5662, the TTB regulations require that proprietors identify wine kept on bonded premises with certain marks or labels placed on production and storage containers, such as tanks, barrels, bins, pallets, and cases, and that proprietors label wine bottles and other consumer containers with certain information, such as brand name, type of wine, and alcohol content, prior to removal for consumption or sale.

The regulatory requirements to display of these marks and labels are necessary to protect the revenue. The prescribed marks and labels ensure the proper identification of the content of wine containers for Federal excise tax revenue collection purposes. The marks on tanks, barrels, bins, pallets, cases, and other containers identify the content of the containers to protect the Federal government's revenue interest prior to removal of the wine from bonded premises. The accurate labeling of wine bottles and other consumer containers identifies the wine at the time of its removal from bond coverage and thereby helps to ensure that the correct Federal excise tax will be collected.

Under the authority of the IRC, the following regulations prescribe the marking of wine containers and wine bottles in 27 CFR:

24.96	24.97	24.115	24.168	24.213
24.214	24.215	24.218	24.255	24.256
24.257	24.259	24.260.		

TTB is issuing a proposed rule titled “Proposed Revisions to Wine Labeling and Recordkeeping Requirements” (Notice No. 160), which will amend 27 CFR 24.257 and thus will effect this information collection. If adopted, the proposed revision of that section would require changes in the labeling of certain wines currently covered by a certificate of exemption from label approval, where those wines are labeled with varietal (grape type) designations, type designations of varietal significance, vintage dates, or appellations of origin, in a manner that would not be allowed under the standards set forth in the regulations in 27 CFR part 4. However, since the labeling of wines, whether covered by certificates of exemption or by certificates of label approval, is a usual and customary business practice and would be done by proprietors with or without the TTB regulatory requirement, TTB does not believe that there would be any increase in the current burden hours associated with the revision of this information collection as proposed in Notice No. 160. We are, however, reporting an increase in the number of respondents to this collection in order to reflect the current number of wine premises proprietors regulated by TTB (from 10,506 to 10,970).

(The records maintained by wine premises proprietors to support the accuracy of the marks and labels on wine containers are approved as part of information collection 1513–0115, Usual and Customary Business Records Relating to Wine, TTB REC 5120/1.)

This information collection, 1513–0092, 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?*

During the normal course of business, proprietors of bonded wine premises mark their wine production and storage containers to identify and track their product inventory, and they label their wine bottles and other consumer containers to inform the public of the contents of their bottles and containers. The regulatory requirement to display of these marks and labels is necessary to protect the revenue. Through the display of these marks and labels, TTB ensures accurate identification of the products in the containers for Federal excise tax revenue collection purposes when the products are ultimately removed from the bonded premises. TTB personnel may examine these marks and labels during audits or investigations of winery premises.

*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?*

These marks and labels are displayed or applied by the regulated industry members at their business premises. TTB has approved and will continue to approve, on case-by-case bases, the use of improved technology to comply with the requirements for marking and labeling wine containers and bottles.

*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 marks on wine production and storage containers, and labels on wine bottles or other consumer containers, are specific to the content of each container or bottle. As far as we 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?*

Proprietors mark their wine tanks, barrels, bins, pallets, and cases, and other wine containers, and label wine their bottles and other consumer containers, during the normal course of business in order to identify and track their product inventory and to inform consumers of the contents of their products. We consider these marking and labeling requirements to be the minimum necessary to ensure compliance with TTB administered laws and regulations. Waiver or reduction of this recordkeeping 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?*

Proprietors mark their wine production and storage containers, and label wine bottles and other consumer containers, during the normal course of business in order to identify and track their product inventory and to inform consumers of contents of their products. These marks and labels are applied or changed only as needed to identify the contents of the container. Less frequent collection of this information would jeopardize the revenue and could result in the distribution of incorrectly identified wines.

*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 regarding this information collection, TTB published a proposed rule titled "Proposed Revisions to Wine Labeling and Recordkeeping Requirements" (Notice No. 160) in the Federal Register on Wednesday, June 22, 2016, at 81 FR 40584.

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?*

These required marks and labels are displayed on or applied to wine containers and wine bottles at a proprietor's premises or are otherwise under the control of the respondent. Labels on wine bottles and other consumer containers are intended for public display. Therefore, no assurance of confidentiality is provided for this information collection.

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, which consists of marks and labels maintained or applied by industry members at their business premises, contains no questions of a sensitive nature. In addition, this information collection does not collect personally identifiable information (PII) in a government 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?*

During the normal course of business, and regardless of any regulatory requirement to do so, proprietors place the required marks or labels on their wine production and storage containers to identify and track their product inventory, and they label their wine bottles and other consumer containers to inform the public of their content. The information required to accurately mark and label wine containers are contained in usual and customary business records maintained by proprietors of wine premises, such as bills of lading, invoices, purchase, and shipping records. There is no retention requirement for the required marks and labels, which proprietors change during the normal course of business as circumstances warrant.

Therefore, as a usual and customary business practice, this information collection imposes no burden on respondents as defined by 5 CFR 1320.3(b)(2). The total annual burden for all 10,970 current wine premises proprietors required to respond to this information collection is estimated to be one hour (represents a place holder not an actual estimate of 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)?*

Proprietors mark their wine production and storage containers and label their wine bottles and other consumer containers during the normal course of business in order to identify and track their product inventory and to inform consumers of the product's content. Therefore, there is no additional cost to respondents associated with this collection.

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

There is no cost to the Federal Government for this information collection, which consists of marks and labels applied or maintained by respondents at their business premises.

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

As for program changes, TTB is proposing to revise 27 CFR 24.257, which, if adopted, will require changes in the labeling of certain wines currently covered by a certificate of exemption from label approval, where those wines are labeled with varietal (grape type) designations, type designations of varietal significance, vintage dates, or appellations of origin, in a manner that would not be allowed under the standards set forth in the regulations in 27 CFR part 4.

However, as for adjustments, since the labeling of wines, whether covered by certificates of exemption or by certificates of label approval, is a usual and customary business practice and would be done by proprietors with or without the TTB regulatory requirement, TTB does not believe that there would be any increase in the current burden hours associated with the revision of this information collection as proposed in Notice No. 160. We are, however, reporting an increase in the number of respondents to this collection in order to reflect the current number of wine premises proprietors regulated by TTB (from 10,506 to 10,970).

*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 usual and customary marks and labels on wine containers and bottles that respondents display or apply at their business premises during the normal course of business. As such, there is no prescribed TTB form for this collection, and, 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.