

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement -- Information Collection Request**  
**OMB Control Number 1513-0016**

Information Collection Request Title: Drawback on Wines Exported.

Information Collections Issued under this Title:

- TTB F 5120.24 — Drawback on Wines Exported.

**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(b), provides, in general, that exporters of taxpaid wine that was manufactured, produced, bottled, or packaged in casks or bulk containers in the United States may claim “drawback” in the amount of the internal revenue tax that was found to have been paid or determined on wine that has been exported. Section 5062(b) also authorizes the Secretary of the Treasury to prescribe regulations to administer allowance of drawback.

The TTB regulations governing drawback on exported taxpaid wine are found in 27 CFR Part 28, Exportation of Alcohol, Subpart K, Exportation of Wine with Benefit of Drawback, which encompasses §§ 28.211 through 28.220a. Specifically, § 28.211 allows for drawback on wine that has been exported, laden for use on the vessels or aircraft described in 27 CFR 28.21, or transferred to and deposited in a foreign trade-zone for exportation or for storage pending exportation. Section 28.212 provides that the proprietors of distilled spirits plants, bonded wine cellars or taxpaid wine bottling houses, and wholesale dealers are authorized to remove wine under 27 CFR part 28, subpart K, and receive drawback. Section 28.214 provides that a claim for drawback made under subpart K must be made by the exporter on TTB F 5120.24. The regulations at § 28.218 instruct the exporter on how to submit TTB F 5120.24. These instructions are reflected on the form.

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?*

The exporter prepares TTB F 5120.24 once, then uses it to notify TTB of a shipment; to obtain certification from a Customs officer that the wine was exported; and finally, to submit a claim for credit or refund of the internal revenue tax.

TTB employees at our National Revenue Center use the copy of the form filed by the exporter to ensure that the wine is eligible for drawback and that proper evidence of exportation has been submitted. TTB also uses the form to compute drawback and determine whether to issue a refund or a credit. TTB auditors or investigators may review the file copy of the form retained by the importer during an audit or investigation.

*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 5120.24 is available as a fillable-printable form on the TTB Web site at <https://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 uses the form to collect information that is pertinent and specific to each respondent and applicable to his/her specific drawback eligibility. 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?*

This information collection cannot be reduced or waived for small businesses, as the collection is necessary to protect the revenue. All entities, regardless of size, must show proof of export in order to obtain drawback of tax and the information requested is the minimum necessary to protect 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?*

This information is only collected when an exporter wishes to claim drawback of internal revenue taxes when taxpaid wine has been exported in accordance with 27 CFR part 28. This collection provides the minimum information necessary for TTB to grant drawback of

taxes paid or determined. If the collection is not conducted, TTB cannot verify the exporter's eligibility for drawback.

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 Friday, May 13, 2016, at 81 FR 29950. 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 protects the confidentiality of the information collected. TTB maintains its copy of this form 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?*

Based on recent experience, TTB estimates that 40 respondents will each file 4 drawback requests on TTB F 5120.24 annually, resulting in 160 annual responses. TTB also estimates that a respondent will require 67 minutes (1 hour and 7 minutes) to complete each form, resulting in a total of 179 estimated annual burden hours.

(30 respondents X4 annual responses = 160 responses X 67 minutes per response = 10,720 minutes/60 minutes per hour = 179 estimated 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)?*

We do not believe respondents bear any additional capital or start-up costs or any increased operation or maintenance costs as a result of this information collection requirement.

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

Estimates of annual cost to the Federal Government are:

Printing costs	\$ 0
Distribution costs	0
Clerical costs	500.00
Other Salary costs (review, supervisory, etc.)	1,200.00
<b>TOTAL COSTS</b>	<b>1,700.00</b>

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 associated with this collection.

As for adjustments, we are increasing the estimated number of respondents and the resulting total annual burden hours associated with this information collection due to an increase in the number of wine exporters filing drawback claims on TTB F 5120.24.

Non-material changes to the form: On TTB F 5120.24, TTB is 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.

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

This collection does not employ statistical methods.