

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0031

Information Collection Request Title:

Specific and Continuing Transportation Bonds—Distilled Spirits or Wines Withdrawn for Transportation to Manufacturing Bonded Warehouse, Class Six.

Information Collections Issued under this Title:

- TTB F 5100.12, Specific Transportation Bond -- Distilled Spirits or Wines Withdrawn for Transportation to Manufacturing Bonded Warehouse -- Class Six.
- TTB F 5110.67, Continuing Transportation Bond -- Distilled Spirits and Wines Withdrawn for Transportation to Manufacturing Bonded Warehouse -- Class Six.

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.

TTB F 5100.12 and TTB F 5110.67 are bonds that protect the revenue on distilled spirits and wine while the products are in transit from one type of bonded facility to another. Specifically, the bonds cover withdrawal and transportation from a distilled spirits plant or bonded wine cellar regulated by TTB to a manufacturing bonded warehouse, class six, established under the provisions of title 19 of the United States Code and the U.S. Customs and Border Protection (CBP) regulations, which operates under a bond required by CBP.

Specific statutory authorization to require bonds for the transfer of distilled spirits, without payment of tax, from a TTB bonded premises to a Customs manufacturing bonded warehouse is found in 26 U.S.C. 5175, while 26 U.S.C. 5214(a)(6) authorizes the Secretary to issue regulations concerning such transfers. For such transfers of non-taxpaid wine, statutory authorization for bonds and regulations is found in 26 U.S.C. 5362(c)(4). In addition, 19 U.S.C. 1311 provides that materials subject to internal revenue tax (e.g. distilled spirits or wine) may be conveyed under regulations issued by the Secretary of the Treasury "without the payment of revenue tax or duty into any bonded manufacturing warehouse" to

be used there in the manufacture of products for export. The same law further provides that "the manufacturer * * * shall first give satisfactory bonds for the faithful observance of all the provisions of law and * * * regulations * * *."

In order to provide proprietors of manufacturing bonded warehouses with a degree of flexibility based on individual need, TTB permits them to file either a specific bond to cover a single shipment, using TTB F 5100.12, or a continuing bond to cover shipments made from time to time, using TTB F 5110.67. Regulations governing the preparation and filing of a specific transportation bond on TTB F 5100.12 are found in 27 CFR 28.25, 28.51, and 28.63. Regulations governing the preparation and filing of a transportation bond for multiple shipments on TTB F 5110.67 are found in 27 CFR 28.25, 28.51, and 28.64.

This information collection 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?

The information on these bonds is examined by TTB's National Revenue Center (NRC) and retained by the NRC until the transfer of the distilled spirits and/or wine is completed and no tax liability remains.

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 5100.12 and TTB F 5110.67 are available as fillable-printable forms on the TTB website 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 F 5100.12 and TTB F 5110.67 require information pertinent to each respondent and applicable to the specific issue of protecting the Federal excise tax liability on distilled spirits and wine while they are in transit from one type of bonded facility to another. 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?

All entities, regardless of size, are required by 27 CFR part 28 to file TTB F 5100.12 and TTB F 5110.67 in order to transport distilled spirits or wine from one bonded location to another. Waiver or reduction of this requirement, simply because the respondent's business is small, could pose jeopardy to 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?*

Respondents are required to complete these bond forms only as necessary. Not requiring bond coverage for transportation to a manufacturing bonded warehouse is contrary to statutory and regulatory requirements. If TTB were to entirely eliminate the requirement for a bond, the Federal excise tax liability on distilled spirits and wine in transit to manufacturing bonded warehouses would be unprotected.

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 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 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals, and 26 U.S.C. 6103 prohibits disclosure of tax returns and related information unless disclosure is specifically authorized by that section. TTB maintains these records in secure file rooms with controlled access.

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?*

TTB estimates that a respondent will take 1 hour to complete either TTB F 5100.12 or TTB F 5110.67. Based on recent experience, TTB estimates that 25 respondents will complete each of these forms annually, for a total of 50 respondents for this information collection.

TTB F 5100.12, 25 respondents, and TTB F 5110.67, 25 respondents = 50 respondents X 1 submission annually = 50 responses X 1 hour completion time = 50 total estimated 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)?*

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 associated with this collection. As for adjustments, due to an increase in the number of distilled spirits and wine industry members making transfers of non-taxpaid products to manufacturing bonded warehouses, class six, we are increasing the number of respondents to this collection from 10 to 50 per year, with a resulting increase in the estimated annual burden hours from 10 to 50 hours.

In addition, in the Paperwork Reduction Act notice on each form, we are updating the mailing address of TTB's headquarters.

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.