

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:

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

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. 5041 imposes a per gallon Federal excise tax of varying rates on six classes of wine—three classes of still wines (based on alcohol content), two classes of effervescent wines, and one class of hard cider. Under the authority of the IRC at 26 U.S.C. 5357, 5368, 5388, and 5662, the TTB regulations require proprietors to identify wines kept on or removed from their premises by placing certain marks, labels, or information on all containers of wine. Because of the varying excise tax on wines, these marking and labeling requirements are necessary to protect the revenue by ensuring that wine is correctly identified for Federal excise tax purposes.

The following TTB regulations in 27 CFR Part 24, Wine, prescribe the placement of certain identifying marks and labels on production and storage containers, such as tanks, barrels, bins, and pallets, kept on a wine premises, or prescribe the placement of certain identifying information, such as brand name, kind of wine, and alcohol content, on the labels of cases, bottles, and other wine containers prior to removal from a wine premises:

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

(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 wine premises place marks and labels on production and storage containers in order to identify their contents and track product production and inventory, and proprietors place information on the labels of wine cases, bottles and other containers prior to removal in order to inform the public of their contents. The TTB regulatory requirements to display identifying information on wine containers are necessary to protect the revenue. TTB personnel may examine the required marks and labels during audits or investigations of wine premises to ensure that proprietors have correctly identified their wines for Federal excise purposes.

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?

The required marks and labels are displayed or applied by the regulated industry members at their business premises, and they may use technologies of their choice to meet the requirements of this information collection.

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 and labels on wine production and storage containers, and information on the labels of wine cases, bottles, and other containers, are specific to the content of each container. 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?

During the normal course of business, proprietors of wine premises place marks and labels on production and storage containers in order to identify their contents and track product production and inventory, and proprietors place information on the labels of wine cases, bottles and other containers prior to removal in order to inform the public of their contents. 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 third-party disclosure requirement, simply because the respondent's business is small, would 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?*

During the normal course of business, proprietors apply or change the required marks, labels, or information only as needed to identify the contents of the wine containers. 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, 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?*

The required wine container marks, labels, and information are applied or displayed by a proprietor at their premises or are otherwise under the proprietor's control. The required marks, labels, and information are third-party disclosures 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.*

There are no questions of a sensitive nature associated with the information collection request. In addition, this information collection request does not collect or contain personally identifiable information (PII). Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this information 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 marks and labels on wine production and storage containers in order to identify their contents and track product production and inventory, and proprietors place information on the labels of wine cases, bottles and other containers prior to removal in order to inform the public of their contents. The information required to accurately mark and label wine containers is contained in usual and customary business records maintained by proprietors of wine premises at their place of business, including bills of lading, invoices, and purchase and shipping records. There is no retention requirement for the required marks and labels, which proprietors change during the normal course of business only 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). As such, 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)?

The placing of the required identifying information on containers of wine by proprietors is usual and customary practice carried out during the normal course of business, and would be done regardless of any regulatory requirement to do so. 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 wine premises.

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

There are no program changes associated with this information collection. As for adjustments, we are increasing the estimated number of respondents to 10,970 to reflect an increase in the number of regulated wine industry members.

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 is a third-party disclosure, which consists of usual and customary marks, labels, and information displayed on or applied to wine containers by respondents at their wine premises. As such, there is no prescribed TTB form or other collection instrument for this information 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.