

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0123

Information Collection Request Title:

Application, Permit and Report — Wine and Beer (Puerto Rico); and Application, Permit and Report — Distilled Spirits Products (Puerto Rico).

Information Collections Issued under this Title:

- TTB F 5100.21, Application, Permit, and Report – Wine and Beer (Puerto Rico)
- TTB F 5110.51, Application, Permit, and Report – Distilled Spirits Products (Puerto Rico)

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.

In general, under the IRC at 26 U.S.C. 7652(a)(1), merchandise manufactured in Puerto Rico and shipped to the United States for consumption or sale is subject to a tax equal to the internal revenue tax imposed in the United States upon like articles of merchandise of domestic manufacture. As such, wine, beer, and distilled spirits products produced in Puerto Rico and shipped to the United States for consumption or sale are generally subject to the Federal excise taxes equal to those imposed by the IRC under, respectively, 26 U.S.C. 5001(a)(1), 5041(b), and 5051(a)(1). Section 7652(a)(2) also authorizes the Secretary to issue regulations regarding the mode and time for payment and collection of such taxes.

The TTB regulations concerning alcohol beverages (and certain other products made with alcohol) produced in Puerto Rico and shipped to the United States are found in 27 CFR Part 26, Liquors and Articles from Puerto Rico and the Virgin Islands. In order to protect the revenue, these regulations require, among other things, the use of TTB F 5100.21 and TTB F 5110.51 by persons shipping wine, beer, and certain distilled spirits products produced in Puerto Rico to the United States for domestic consumption or sale.

TTB F 5100.21 is an application and permit to compute the Federal excise tax on, tax-pay, and withdraw wine or beer for shipment to the United States. The use of TTB F 5100.21 is required by 27 CFR 26.76, 26.93, 26.94, 26.95, 26.96, 26.96b, 26.102, 26.103, 26.104, 26.105, 26.105a, 26.108(b), and 26.110.

TTB F 5110.51 is an application and permit to compute the tax on, tax-pay, and withdraw for shipment to the United States certain distilled spirits products. The use of TTB F 5110.51 is required by 27 CFR 26.76, 26.78, 26.79, 26.80, 26.81, 26.86, 26.87, 26.108(a), and 26.110.

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?

Respondents use TTB F 5100.21 to apply for and receive a permit to compute the Federal excise tax on, tax pay, and withdraw of wine or beer manufactured in Puerto Rico for shipment to the United States for consumption or sale. Respondents use TTB F 5110.51 to apply for and receive a permit to compute the Federal excise tax on, tax pay, and withdraw certain distilled spirits products manufactured in Puerto Rico for shipment to the United States for consumption or sale. The information collected from respondents on TTB F 5100.21 or TTB F 5110.51 includes the identity of the entities executing the form, the amount, type and manufacturer of the alcohol products to be shipped to the United States, a statement regarding the taxpaid or bonded status of the products, and the signatures of authorized representatives.

Forms submitted by respondents are examined and approved by TTB and Puerto Rican government officials. To protect the revenue, TTB uses the collected information to ensure that the respondent's bond coverage is adequate to cover the taxes due (if a bond is required)¹ and establish that the respondent is eligible to defer the Federal excise tax on such shipments, or, in cases where the shipment is made taxpaid, to ensure that the correct amount of tax has been paid. If necessary, TTB uses the information provided on these forms to enforce collection of any alcohol excise tax owed to the Federal government.

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?

¹ (The TTB regulations at 27 CFR 26.61–26.75 require a bond under certain circumstances from any person who intends to ship wine, beer, and certain distilled spirits products of Puerto Rican manufacture to the United States from bonded storage in Puerto Rico on computation, but before payment, of the tax imposed by 26 U.S.C. 7652(a). The bond for such distilled spirits shipments, filed on TTB F 5110.50, is approved under OMB control number 1513–0050. The bonds for such shipments of wine or beer, filed on TTB F 5120.32 and TTB F 5130.16, respectively, are not subject to the requirements of the Paperwork Reduction Act since these two collections have fewer than 10 annual respondents.)

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 5100.21 and TTB F 5110.51 are available as fillable-printable forms on the TTB website at <https://www.ttb.gov/forms/5000.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 5100.21 and TTB F 5110.51 contain information pertinent to each respondent and applicable to the specific issue of computing and paying Federal excise taxes on wine, beer, and certain distilled spirits products produced in Puerto Rico and shipped to the United States for domestic consumption or sale. 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 regulation to submit these forms. 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?

If this information collection was not conducted, some respondents might not be covered by an adequate bond or may not have prepaid the tax before shipment, which poses 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?

Under 5 CFR 1320.5(d)(2)(iii), requiring a respondent to submit more than an original and two copies of any document is a special circumstance. In the case of this information collection, TTB requires industry members to prepare and submit TTB F 5100.21 or TTB F 5110.51 in quintuplicate because copies of these forms must be forwarded to and retained by various TTB and Puerto Rican government officials as described in the instructions on the forms.

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 June 9, 2017, at 82 FR 26837. 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 the two forms associated with this information collection. 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 its copies of these forms and the collected information in secure file rooms and computer systems 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 10 respondents will file TTB F 5100.21 one time per year and that each respondent will take an average of 1 hour to complete the form, for a total of 10 annual burden hours.

TTB estimates that 25 respondents will file TTB F 5110.51 one time per year and that each respondent will take an average of 1 hour to complete the form, for a total of 25 annual burden hours.

Therefore, this information collection has a total of 35 annual respondents, 35 annual responses, and 35 total annual burden hours. The number of respondents and the number of forms filed annually are based on historical data provided by TTB personnel who process these forms.

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?*

TTB estimates that processing the forms associated with this information collection costs \$275.00 annually, divided between clerical costs and salary costs for reviewers and supervisors. 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 website (<https://www.ttb.gov>).

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

There are no other 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?*

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 on the two forms, TTB F 5100.21 and TTB F 5110.51. By not displaying the expiration date of this collection on these forms, TTB will not have to update that date on the two forms 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 forms, including any marginally-punched continuous printed versions of the two forms 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 the two forms 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 two forms could continue in use regardless of when OMB's approval for this information collection 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.