

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement for Information Collection Request
Drawback on Distilled Spirits Exported
OMB Control Number 1513–0042

Information Collections Contained In This Request:

- Drawback on Distilled Spirits Exported (TTB F 5110.30).

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 that on the exportation of distilled spirits produced in the United States and packed in casks or other bulk containers or in bottles packed in cases or other containers, the bottler or packer may claim drawback (refund) equal to the amount of internal revenue tax paid or determined on the spirits. This IRC section also authorizes the Secretary to prescribe regulations governing such drawback claims and payments, including requirements for notices, bonds, bills of lading, and other evidence indicating tax payment or determination and subsequent exportation of the spirits.

The TTB regulations concerning drawback on exported distilled spirits are found in 27 CFR Part 28, Export of Alcohol. Under § 28.171, bottlers and packers of domestic distilled spirits on which Federal excise tax has been paid or determined may claim drawback (refund) of that tax when such spirits are exported,¹ laden for use as supplies on certain vessels or aircraft, transferred to a foreign-trade zone for exportation, or transferred to a customs bonded warehouse for certain eligible uses by foreign governments, organizations or officials.

¹ Includes distilled spirits exported to foreign countries and distilled spirits exported to U.S. Armed Forces stationed in foreign countries.

Specific to this information collection, the TTB regulations at 27 CFR 28.190, 28.192, 28.195b, and 28.199 require respondents to make drawback claims for taxpaid or determined distilled spirits exported on TTB F 5110.30 or require respondents to provide copies of the form. The form requests information regarding the drawback claimant, the type of export or transfer, the tax-paid spirits exported, and the amount of excise tax to be refunded, and any required supporting documents. The form also provides a certification by a U.S. government agent attesting to the exportation.

The information collected on TTB F 5110.30 is necessary to protect the revenue. The information provided by respondents on this form and in any attached supporting documents, and the certification by a U.S. government agent, allows TTB to determine that domestically-produced distilled spirits for which export drawback is claimed are in fact eligible for such drawback.

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?

The use of TTB F 5110.30 provides TTB with a uniform format for collecting information on, and for evaluating, distilled spirits export drawback claims. The information collected on the form and any required supporting documents identifies the claimant, the tax-paid spirits exported, and the amount of tax to be refunded, and it provides a certification by a U.S. government official attesting to the exportation of the spirits. TTB uses the collected information to protect the revenue as it allows TTB to verify distilled spirits export drawback claims, prevent fraudulent or mistaken drawback payments, and identify unusual activities, errors, or omissions regarding such claims.

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 5110.30 is available to the public at no cost on the TTB website at as a fillable-printable form (see <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?

This information collection provides data to TTB that is pertinent to each respondent and applicable to specific distilled spirits export drawback claims. As far as TTB can determine, similar information is not available to the Bureau elsewhere.

5. *If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?*

Under the authority of the IRC at 26 U.S.C. 5062(b), the TTB regulations require all distilled spirits export drawback claimants, regardless of size, to submit TTB F 5110.30 and any required attachments to document their claims. This information collection is necessary to protect the revenue as it allows TTB to verify distilled spirits export drawback claims and prevent fraudulent or mistaken drawback payments. Therefore, this collection cannot be waived simply because the respondent's business is small.

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 TTB were not able to collect the required information regarding distilled spirits export drawback claims it could not verify the validity of such claims, which would jeopardize the revenue. Respondents submit the required information regarding exported distilled spirits only when necessary to claim export drawback. As such, the frequency of this collection cannot be reduced.

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 respondents to submit more than an original and two copies of any document is a special circumstance. The instructions for TTB F 5110.30 require respondents to prepare an original and three or four copies of the form for distribution to various recipients, as described in the form's instructions.

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 March 13, 2018, at 83 FR 10948. 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 for this 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. Data from and copies of TTB F 5110.30 are maintained by TTB in secure, password-protected computer systems and in file rooms with controlled public 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 request contains no questions of a sensitive nature. In addition, this request 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?*

Based on recent data provided by TTB's National Revenue Center, which processes distilled spirits export drawback claims, 100 respondents annually file an average of 4 such claims annually, for a total of 400 claims. TTB estimates that a respondent takes 2 hours to complete a distilled spirits export drawback claim, and, therefore, the total burden hours for this information collection is 800 hours.

(100 respondents x 4 annual claims = 400 claims x 2 hours per claim = 800 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)?*

TTB estimates the cost to respondents resulting from this information collection as follows: \$4.00 per response in overhead and material costs, for a total of \$1,600 in such costs for this information collection. In addition, TTB estimates respondents have \$37.25 in salary costs, for a total of \$14,900 in such costs for this information collection. Therefore, the total estimated total cost to respondents resulting from this information collection is \$41.75 per response, for a total estimated cost of \$16,500.00 for this information collection.

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

Estimates of annual cost to the Federal Government are:

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|--|-------|
| Clerical costs | 1,410 |
| Overhead | 800 |
| Other Salary costs (review, supervisory, etc.) | 5,770 |

| | |
|-------------|---------|
| TOTAL COSTS | \$7,980 |
|-------------|---------|

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 (see <https://www.ttb.gov/forms/5000.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, as a matter of agency discretion, TTB is removing the previously-reported "mandatory" information collection for TTB F 5110.30, which contained one-half of this information request's estimated burden, and is consolidating its burden with the remaining "required to obtain a benefit" information collection for TTB F 5110.30. In addition, as a result of a change in agency estimates, TTB is decreasing the estimated total number of annual responses and burden hours associated with this information collection request due to a decrease in the number of TTB F 5110.30 forms submitted to TTB. This change in estimates is based on recent data provided by TTB's National Revenue Center, which processes distilled spirits export drawback claims.

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?*

TTB will display the expiration date for OMB approval of this information collection request on form TTB F 5110.30.

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.