

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement -- Information Collection Request**  
**OMB Control Number 1513-0100**

Information Collection Request Title:

Applications, Notices, and Permits Relative to Importation and Exportation of Distilled Spirits, Wine and Beer, Including Puerto Rico and the Virgin Islands

**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 importation and exportation of beverage and industrial alcohol, wine, and beer is closely monitored under provisions of the Internal Revenue Code (IRC). Such close monitoring is necessary in order to ensure that the proper Federal excise tax is paid. Also, with regard to Puerto Rico and the Virgin Islands, the IRC also provides that some taxes on these products will be transferred to the treasuries of Puerto Rico and the Virgin Islands. In addition, some of these taxes are subject to being reclaimed by the taxpayer.

While withdrawals of alcohol products are made tax-free, regulatory provisions are necessary to ensure that these products are, in fact, exported. In addition, the IRC permits, under very specific circumstances, other tax-free dispositions of these commodities.

The data elements included in this request make it possible for TTB to trace these products using audit techniques, thus TTB to verify the payment of excise taxes, verify claims for refund of taxes, and calculate payments due the treasuries of Puerto Rico and the Virgin Islands. The provisions of the regulations contain the minimum amount of information necessary to maintain accountability within the system.

The following sections of Federal law apply to this information collection: 19 U.S.C. 1309; 26 U.S.C. 5055, 5056, 5062, 5214, 5223, 5301, 5314, 5362, and 7652(a).

Without this recordkeeping requirement, no recording of the data elements necessary to verify these transactions would be specific to the proprietor. The following sections of the TTB regulations in Title 27 CFR apply to this information collection:

- 26.76, 26.82, 26.86, 26.94, 26.95, 26.96b, 26.104, 26.105, 26.105a, 26.108, 26.128, and 26.193;
- 27.204; and
- 28.22, 28.23, 28.36, 28.116, 28.117, 28.131 – 28.133, 28.147, 28.161, 28.162, 28.220, 28.220a, 28.261, and 28.281.

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 data obtained or the permits granted in this request are necessary for the following reasons:

- (1) The records are used by our personnel during field tax compliance examinations to verify that all of the regulated commodities can be accounted for tax payment purposes, in regard to both quantity and rates;
- (2) Permits and authority to ship documents to notify U.S. Customs that it is authorized to release the commodities for shipment to the U.S. mainland;
- (3) The accountability is established for commodities transferred tax-free under provisions of the IRC;
- (4) Provisions are made for return and voluntary destructions of the commodities; and
- (5) Due notice is given to the officials of the Virgin Islands and Puerto Rico that taxable commodities are being shipped to the U.S.

*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.

*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 applications and notices required under this information collection submission contain information pertinent to each respondent and applicable to the specific issue of his or her operation. As far as TTB is 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 collection of information does not have a significant impact on a substantial number of small businesses or other small entities.

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?*

Eliminating the information collection requirements would leave a significant gap in the audit trail by making it difficult or impossible for TTB to trace and verify transactions involving these taxable products. This recordkeeping requirement is considered to be the minimum necessary to ensure compliance. Less frequent collection of this information would pose 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?*

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 March 28, 2019, at 84 FR 11867. 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 information 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 information collection. However, these applications and notices are maintained at TTB Headquarters and at the NRC in secure file rooms with controlled public access. Moreover, 26 U.S.C. 6103 protects the confidentiality of the taxpayer information collected, unless disclosure is specifically authorized by that section.

*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?*

For this information collection, TTB estimates that there are 20 respondents, each responding once per year, and that each response take 9 hours to complete. This results in an estimated total annual burden of 180 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 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 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?*

This information collection consists of applications and notices filed by respondents, and related records kept at the respondents' premises. As such, there is no prescribed TTB form for this collection, and 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.