

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0067**

**Wholesale Alcohol Dealer Recordkeeping Requirement Variance Requests  
and Approvals (TTB REC 5170/6).**

**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 (6 U.S.C. 531(d)). In addition, the Secretary of the Treasury (the Secretary) has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Order 120-01.

The IRC at 26 U.S.C. 5121 requires wholesale alcohol dealers to keep a daily record of their receipt and disposal of distilled spirits, in the form and manner prescribed by the Secretary by regulation. Under those authorities, TTB regulations in 27 CFR Part 31, Alcohol Beverage Dealers, require wholesale alcohol dealers to keep, at their places of business, daily records of their receipt and disposition of distilled spirits. These records must consist of file copies of a dealer's usual and customary commercial invoices, or, if those invoices are not immediately available, record memorandums containing the required data. These wholesale alcohol dealer recordkeeping requirements are approved under OMB Control No. 1513-0065.

In addition, the IRC at 26 U.S.C. 5555 authorizes the Secretary to waive, in whole or part, any recordkeeping or reporting requirement of chapter 51. Under that authority, and specific to this information collection, the TTB regulations at 27 CFR 31.159 allow a wholesale alcohol dealer to submit a letterhead application to the appropriate TTB officer requesting approval of a variance in the type, format, and preparation method of the required distilled spirits receipt and disposition records to allow for the use of data processing equipment, other business machines, or existing accounting systems. Also, under 27 CFR 31.172, a wholesale dealer may submit a letterhead application requesting approval of a variation in the place where the dealer must maintain the required records for the purpose of TTB inspection. In all such variance applications, the wholesale dealer must describe the proposed variation and their need for it. TTB review of these applications is necessary to ensure that the variance will not jeopardize the revenue, be contrary to any provision of law, or unduly hinder TTB's administration of 27 CFR part 31.

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?*

TTB personnel use the wholesale alcohol dealer recordkeeping requirement variance applications submitted under this information collection to determine if a dealer's proposed variance would jeopardize the revenue, be contrary to any provision of law, or unduly hinder TTB's effective administration of 27 CFR part 31.

*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 will consider the use of improved information technology on a case-by-case basis. Wholesale alcohol dealers submit the letterhead applications required under this information collection to obtain TTB's approval of recordkeeping requirement variances in order to use automated, data processing, or other improved information technologies to keep and maintain the required distilled spirits receipt and disposition records.

*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 wholesale alcohol dealer recordkeeping variance applications required under this collection contain information pertinent to each dealer and specific to their proposed type, format, or method of recordkeeping or place of record retention. 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?*

While all wholesale alcohol dealers, regardless of size, are required by regulation to submit recordkeeping requirement variance applications, each variance only requires a one-time application, and, as such, TTB believes that this information collection does not have a significant impact on a substantial number of 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?*

The wholesale alcohol dealer recordkeeping variance applications required under this collection provide such dealers flexibility to meet those requirements, while allowing TTB to determine if such variances pose a jeopardy the revenue, are contrary to law, or would hinder TTB's effective administration of 27 CFR part 31. As each variance only requires a

one-time application, this information collection cannot be conducted less frequently.

*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? (See 5 CFR 1320.5(d)(2).)*

There are no special circumstances associated with this information collection that would require it to be inconsistent with OMB guidelines

*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 Thursday, 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?*

This information collection consists of letterhead applications submitted by respondents, and, as such, there is no medium for TTB to offer an assurance of confidentiality for the collection. However, Federal law at 5 U.S.C. 552 generally prohibits Government disclosure of proprietary information, while the IRC at 26 U.S.C. 6103 prohibits disclosure of taxpayer information unless disclosure is specifically authorized by that section. TTB copies of these applications are maintained in secure office space.

*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. Also, 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?*

Based on recent experience, TTB estimates 10 respondents file one letterhead application per year requesting TTB approval of variances to its wholesale alcohol dealer record-keeping requirements, for a total of 10 annual responses. TTB further estimates that each response takes 0.5 hours (30 minutes) to complete. Therefore, the estimated total annual burden for this information collection is 5 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)?*

This information collection consists of occasional letterhead applications submitted to TTB by wholesale alcohol dealers. As such, TTB believes that there is no annual cost burden to respondents associated with this collection.

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

TTB estimates that the annualized cost to the Federal Government for this information collection is \$150.00.

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

There are no program changes or adjustments associated with this information 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 information 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?*

There is no prescribed TTB form for this information collection, which consists of letterhead applications generated by respondents. As such, there is no medium for TTB to display the OMB approval expiration date of this collection.

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.