

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0030**

**Claims—Alcohol, Tobacco, and Firearms Taxes.**

Information Collections Issued under this Title:

- Claims—Alcohol, Tobacco, and Firearms Taxes (Private Sector, for profit).
- Claims—Alcohol, Tobacco, and Firearms Taxes (Individuals or households).
- Claims—Alcohol, Tobacco, and Firearms Taxes (Private Sector, not-for-profit).

(All filed using TTB F 5620.8, Claim – Alcohol, Tobacco, and Firearms Taxes.)

**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, wines, and beer), chapter 52 (tobacco products and cigarette papers and tubes), and sections 4181–4182 (firearms and ammunition excise taxes) of the Internal Revenue Code of 1986 (IRC), as amended (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). The Secretary of the Treasury (Secretary) also has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Order 120–01.

Various IRC sections in 26 U.S.C. authorize the Secretary to provide for the filing of taxpayer claims for relief of the Federal excise taxes paid or determined on distilled spirits, wine, beer, tobacco products, cigarette papers and tubes, and firearms and ammunition. The types of relief for which such excise taxpayers may file claims include—

- Abatement of tax: The taxpayer is released from tax liability before the tax assessment is paid.
- Allowance of loss: The taxpayer is discharged of potential tax liability before tax payment or assessment.
- Allowance of tax: Filed when product, after removal from a factory or premises or prior to payment of tax, is lost or destroyed by theft, vandalism, fire, flood, or

other disaster while still under title to the manufacturer. Claims related to theft must establish that the loss was not the result of negligence, fraud, or collusion on the part of the taxpayer.

- Allowance of credit for tax: Tax already paid is applied to the taxpayer's next tax return or is applied to reduce a current tax liability.
- Drawback of tax: Nonbeverage product manufacturers claim a partial refund or remittance for taxes paid on distilled spirits used in the production of medicines, food products, flavoring extracts, and perfumes which are unfit for beverage use.
- Refund of tax: Refund of any tax erroneously or excessively collected.
- Remission of tax: Given when a mistake was made in calculation of the tax or there was a cancellation of tax prior to determination of payment.

In general, the IRC, at 26 U.S.C. 5008, 5044, 5056, 5064, 5370, 5705, and 5708, authorizes claims for the abatement, allowance, credit, refund, or remission of excise taxes on alcohol products, tobacco products, or cigarette papers and tubes that are: Lost or destroyed by theft, vandalism, or disaster; made unmarketable or condemned due to disaster; voluntarily destroyed or withdrawn; or returned to bond. The IRC, at 26 U.S.C. 5055, 5062, and 5706, also provides for drawback (refund) of alcohol and tobacco excise taxes paid on products subsequently exported outside the jurisdiction of the internal revenue laws of the United States. In addition, 26 U.S.C. 5111–5114, authorizes drawback for a portion of the excise taxes paid on distilled spirits used in the manufacture of certain nonbeverage products, while 26 U.S.C. 5373(b)(3) allows tax credit for wine spirits removed from a distilled spirits plant and used in the production of wine. Under the IRC at 26 U.S.C. 6402–6404, taxpayers may file claims for abatement, credit, or refund of overpaid, excessive, or erroneous excise or special occupational taxes collected, while 26 U.S.C. 6416 allows for the credit or refund of overpaid firearms and ammunition excise taxes, and 26 U.S.C. 6423 sets conditions on claims for erroneously collected alcohol and tobacco excise taxes. Under these IRC sections, claims generally must be filed within 6 months of the relevant action and must be made according to regulations prescribed by the Secretary.

Under its IRC and delegated authorities, TTB has issued regulations regarding taxpayer claims for relief, which are codified in 27 CFR chapter I. In general, the TTB regulations require taxpayers to file claims for relief of excise taxes using form TTB F 5620.8, Claim—Alcohol, Tobacco, and Firearms Taxes. This form, and any required supporting documentation, identifies the claimant, the regulatory section the claim is made under, the type of claim and its basis, the kind and amount of tax claimed, and, if relevant, account information for the deposit of refunded tax. The following TTB regulations in 27 CFR chapter I require the use of TTB F 5620.8 or govern the submission of a claim on that form:

- §§ 17.141 and 17.142 (drawback for nonbeverage products);
- §§ 19.262–19.266, 19.269, 19.452, 19.462, and 19.464 (distilled spirits);
- §§ 20.202–20.205 (denatured alcohol and rum);
- § 24.29 and §§ 24.65–24.70 (wine);

- §§ 25.224, 25.225, 25.281–25.283, 25.285, and 25.286 (beer);
- §§ 26.173, and 26.309 (liquors from Puerto Rico and the Virgin Islands);
- §§ 28.303, 28.310, 28.315, and 28.317 (alcohol for export);
- §§ 31.221 (alcohol beverage dealers);
- §§ 40.281–40.301, 40.313, and 40.471–40.474 (domestically produced tobacco products and cigarette papers and tubes);
- §§ 41.161–41.163, and 41.165 (imported tobacco products and cigarette papers and tubes);
- §§ 44.152–44.154 (exported tobacco products and cigarette papers and tubes);
- §§ 46.5–46.9, 46.74–46.77, and 46.251–46.254 (miscellaneous regulations for tobacco products and cigarette papers and tubes);
- §§ 53.171–51.184 (firearms and ammunition excise taxes); and
- §§ 70.121–70.125 (general administrative regulations), §§ 70.413 and 70.414 (claims regarding alcohol excise taxes), § 70.435 (claims regarding tobacco excise taxes), § 70.448 (claims regarding firearms and ammunition excise taxes), §§ 70.501–70.508 (sets forth conditions under 26 U.S.C. 6423 for claims regarding erroneously collected alcohol and tobacco excise taxes), and §§ 70.601–70.608 (sets forth conditions and procedures for claims based on losses due to theft, vandalism, or malicious mischief).

This information collection is aligned with—

- Line of Business/Sub-function: General Government/Taxation Management.
- IT Investment: Tax Major Application system.

2. *How, by whom, and for what purpose is this information used?*

TTB uses the information provided by respondents on TTB F 5620.8 and any attached supporting documentation to identify the claimant, the regulatory section the claim is made under, the type of claim and its basis, the kind and amount of tax claimed, and, if relevant, account information for the deposit of refunded tax. The collected information is necessary to protect the revenue as it allows TTB to ensure that the abatement, allowance, credit, drawback, refund, or remission of Federal taxes is provided only to eligible claimants.

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 the required information. Currently, TTB F 5620.8 is available at no cost to the public as a fillable-printable form on the TTB Web site (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?*

TTB F 5620.8 contains information that is pertinent and unique to each respondent and claim submitted for abatement, allowance, credit, drawback, refund, or remission of Federal taxes. As far as TTB can determine, similar information is not available to it 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 statute to file a claim to substantiate their claim for tax relief. This information collection is required in order to determine if a claim abatement, allowance, credit, drawback, refund, or remission of Federal tax is warranted. Respondent burden is minimized by limiting the information collected to that which is necessary to protect the revenue. This statutory requirement cannot be waived simply because the respondent entity 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 did not collect this information and did not have an adequate number of personnel to verify the submitted claims, TTB could possibly refund money to ineligible claimants, which would jeopardize the revenue. Respondents file claims at their discretion and, as such, this 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?*

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, August 24, 2018, 83 FR 42975. TTB received no comments.

*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 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 these records 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.*

A Privacy Impact Assessment (PIA) has been conducted for information collected under this request as part of the Tax Major Application system. A Privacy Act System of Records notice (SORN) has been issued for that system under TTB .001–Regulatory Enforcement Record System, and it was published in the Federal Register on January 28, 2015, at 80 FR 4637. TTB’s PIAs are available on the TTB website at <http://www.ttb.gov/foia/pia.shtml>.

12. *What is the estimated hour burden of this collection of information?*

Based on recent data, TTB estimates the burden for this information collection as follows:

Information Collection (TTB F 5620.8)	Annual Respondents (One response each per year)	Total Annual Responses	Per Response Burden	Total Burden
Private Sector (for profit)	3,500	3,500	1.0 hour	3,500 hours
Individuals or households	750	750	1.0 hour	750 hours
Private Sector (not-for-profit)	750	750	1.0 hour	750 hours
<b>TOTALS</b>	<b>5,000</b>	<b>5,000</b>	<b>(avg. 1.0 hour)</b>	<b>5,000 hours</b>

Recordkeeping: In general, the TTB regulations require claimants to retain record copies of all claim forms and supporting documentation for at least three years and to make such records available to the appropriate TTB officer. The relevant recordkeeping requirements are approved under OMB Control No. 1513–0088, Alcohol, Tobacco, and Firearms Related Documents for Tax Returns and Claims, TTB REC 5000/24.

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 information provided by respondents under this collection requirement is sourced from usual and customary records kept during the normal course of business, such as production, shipping, and transfer records, as well as tax and related records kept under other information collection requests. As such, TTB believes that there are no annualized capital, startup, operational, or maintenance associated with this information collection, which is filed occasionally at the discretion of the respondent. Respondents only incur negligible material and postal costs associated with printing and submitting the required form and supporting documents to TTB.

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

Estimates of annual cost to the Federal Government are:

Clerical costs	12,000
Other Salary costs (review, supervisory, etc.)	70,000
TOTAL COSTS	\$ 82,000

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate since TTB distributes its forms to the public for downloading and self-printing via the TTB website (see <http://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, due to changes in agency estimates, TTB is increasing the estimated number of overall annual respondents, responses, and burden hours for this information collection request, from 4,600 to 5,000 each. However, also due to changes in agency estimates, TTB is increasing the percentage of claims filed by "Private Sector—Businesses or other for-profits" respondents from 60 percent of the total filed to 70 percent, which increases the estimated annual respondents, responses, and burden hours for such respondents from 2,760 to 3,500 each. As a result, TTB also is decreasing the number of respondents, responses, and burden hours associated with the "Individual and Household" and the "Private Sector—Not-for-profit institutions" respondent categories from 920 to 750 each (from 20 percent to 15 percent each) of the overall totals for this information collection request. TTB also is clarifying that this information collection requirement is not mandatory but is required to obtain a benefit (approval of a claim).

16. *Outline plans for tabulation and publication for collections of information whose results will be published.*

Using data from this information collection, TTB publishes the total amounts of excise tax it returns to claimants as refunds and drawback in its Annual Reports, which are posted to the

TTB website at <https://ttb.gov/about/performance-reports.shtml>. The published data discloses only the total amount of claims paid, and no individual claimant or taxpayer is identified.

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 requests approval to not display the expiration date for OMB approval of this information collection request on TTB F 5620.8. By not displaying the OMB approval expiration date for this collection request, TTB will not have to update that date on this form each time OMB approves the collection. This will avoid confusion among respondents when the collection's approval date may have passed but its approval continues on a month-to-month basis while it is under OMB review. In addition, respondents and other businesses will not have to update their stocks of the paper form or alter electronic copies of the form, including any versions produced for sale to others.

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.