

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0123

Application, Permit and Report — Wine and Beer (Puerto Rico); and 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 (the Secretary) 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, 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 domestic manufacture. As such, distilled spirits, wine, and beer produced in Puerto Rico and shipped to the United States for consumption or sale are generally subject to excise taxes equal to the Federal excise taxes imposed on such domestic products by the IRC under 26 U.S.C. 5001, 5041, and 5051, respectively. That section also authorizes the Secretary to issue regulations regarding the mode and time for payment and collection of the taxes imposed on Puerto Rican merchandise shipped to the United States. In addition, under section 7652, the majority of the taxes collected on Puerto Rico merchandise shipped to the United States is transferred to the treasury of Puerto Rico.

The TTB regulations concerning alcohol products 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, those regulations require, among other things, the use of TTB F 5100.21, Application, Permit, and Report—Wine and Beer (Puerto Rico), and TTB F 5110.51, Application, Permit, and Report—Distilled Spirits Products (Puerto Rico), 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.

The collected information is necessary to protect the revenue due on Puerto Rican alcohol products shipped to the United States. In cases where the respondent makes the shipment taxpaid, TTB uses the required information to ensure that the respondent has paid the correct amount of tax. In cases where the respondent is eligible to defer the tax payment, TTB uses the required information to verify that the respondent's bond coverage is adequate to cover the taxes due. If necessary, TTB also uses the collected information to enforce collection of any alcohol excise tax owed to the Federal government.

This information collection is aligned with —

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

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

TTB and Puerto Rican government officials use the information collected on TTB F 5100.21 and TTB F 5110.51 to protect the revenue due on Puerto Rican alcohol products shipped to the United States for consumption or sale, most of which is returned to the Puerto Rican treasury. In cases where the respondent makes the shipment taxpaid, TTB uses the required information to ensure that the respondent has paid the correct amount of tax. In cases where the respondent is eligible to defer the tax payment, TTB uses the required information to verify that the respondent's bond coverage is adequate to cover the taxes due.¹ TTB also may use the required information to enforce collection of any 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?

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>.

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?

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 produced in Puerto Rican to the United States upon computation, but before payment, of the tax imposed by 26 U.S.C. 7652(a). Such persons use TTB F 5110.50 to file bonds for such distilled spirits shipments, and use TTB F 5120.32 and TTB F 5130.16 to file bonds for shipments of wine or beer, respectively. TTB F 5110.50 is approved under OMB No. 1513–0050; TTB F 5120.32 and TTB F 5130.16 are not subject to the requirements of the Paperwork Reduction Act since these two collections have fewer than 10 annual respondents.

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?

The TTB regulations require all entities, regardless of size, to submit the required information. 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?

Not conducting this information collection would jeopardize the revenue. If TTB did not conduct this collection, it could not verify that shipments of Puerto Rican alcohol products shipped to the United States are tax-paid before shipment, or, if tax-deferred, are covered by an adequate bond. Additionally, because respondents complete this collection only on an as-needed basis, TTB cannot conduct it 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?

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 public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on September 3, 2020, at 85 FR 55067. 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?*

TTB provides no specific assurance of confidentiality 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. TTB maintains the collected information in secure computer systems and file rooms 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?*

Estimated Annual Burden: Based on recent data, TTB estimates that 35 respondents will each submit one response to this collection annually, totaling 35 responses. TTB also estimates that each response requires one hour to complete, resulting in an estimated total annual burden of 35 hours. Specifically, TTB estimates 10 respondents will file one TTB F 5100.21 per year, totaling 10 responses and 10 burden hours, and that 25 respondents will file one TTB F 5110.51 per year, totaling 25 responses and 25 burden hours.

Estimated Respondent Labor Costs: TTB estimates the annual per-respondent and total respondent labor costs for this collection as follows:

NAICS 312000 - Beverage & Tobacco Product Manufacturing – Office & Administrative Support Occupations – Fully-loaded Labor Rate/Hour² = \$29.65						
Information Collection	Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
TTB F 5100.21 (for wine and beer)	1 hour	\$29.65	1	\$29.65	10	\$296.50
TTB F 5110.51 (for distilled spirits)	1 hour	\$29.65	1	\$29.65	25	\$741.25
TOTALS	1 hour	\$29.65	1	\$29.65	35	\$1,037.75

² Private Sector Fully-loaded Labor Rate = Wage rate x a factor of 1.44 to account for benefit costs. Per the most recent U.S. Department of Labor, Bureau of Labor Statistics (BLS), data for National Industry-Specific Occupational Employment and Wage Estimates for NAICS 312000—Beverage and Tobacco Product Manufacturing, the average fully-loaded labor rate per hour for Office and Administrative Support Occupations is \$29.65 (\$20.59 in wages plus \$9.06 in benefit costs). See the BLS website at https://www.bls.gov/oes/current/naics3_312000.htm.

Respondent Record Retention: There is no regulatory record retention requirement for this information collection.

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 believes that there are no annualized start-up or maintenance costs to respondents associated with this occasional information collection. As for mailing costs, TTB estimates that each response costs \$5.00 in postage and mailing supplies. This results in annual costs of \$5.00 per respondent and \$175.00 in total postage and mailing costs for the 35 annual responses to this collection.

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

There are no annualized non-labor costs to the Federal Government associated with this information collection. Printing and distribution costs for this collection have decreased to \$0.00 in TTB's cost estimate due to the public availability of forms on the TTB website at <https://www.ttb.gov/forms>.

TTB estimates the annual labor costs to the Federal Government for this collection as follows, based on labor costs for TTB personnel in Puerto Rico:

Labor Costs for TTB Personnel in Puerto Rico*					
Position	Fully-loaded Labor Rate/Hour ³	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$30.90	6 minutes	\$3.09	35	\$108.15
GS-11, Step 5, Specialist	\$56.66	18 minutes	\$17.00		\$595.00
TOTALS	(\$50.23)	24 minutes	\$20.09	35	\$703.15

* Fully-load labor rates and labor costs rounded to the nearest whole cent.

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

There are no program changes or adjustments associated with this information collection at this time.

³ Federal Government Fully-loaded Labor Rate = Hourly wage rate x a factor of 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) wage data, the fully-loaded labor rates for the "Rest of the United States" wage area, which includes Puerto Rico, are: (1) GS-5, step 5, employee = \$30.90 (\$18.96 in wages plus \$11.94 in benefit costs); and (2) GS-11, step 5, employee = \$56.66 (\$34.76 in wages plus \$21.90 in benefit costs). See the OPM website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/general-schedule/>.

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?*

As a cost saving measure for both TTB and the public, TTB is seeking approval not to display the expiration date for OMB approval of this information collection on its related forms, TTB F 5100.21 and TTB F 5110.50. By not displaying that date on those forms, TTB will not have to update the forms on its website each time OMB reapproves this information collection. Similarly, respondents and other businesses will not have to update stocks of the paper forms, self-produced electronic copies of the forms, or versions of the forms made for sale to other businesses. Additionally, not displaying the information collection's OMB approval expiration date on the forms will avoid confusion among members of the public who may have copies of the forms with different expiration dates in their possession.

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 information collection does not employ statistical methods.