

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0017

Drawback on Beer Exported

**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.

Under the IRC at 26 U.S.C. 5055, brewers may receive drawback (refund) of the Federal excise tax paid on domestically produced beer when that beer is exported or delivered for use as supplies on vessels or aircraft, if the brewer provides proof of such action as the Secretary requires by regulation.

Under that IRC authority, the TTB regulations in 27 CFR Part 28, Exportation of Alcohol, allow the brewer or the brewer's agent to file a claim for drawback of the excise taxes paid on beer that is subsequently exported. Under those regulations, "export" includes exportation to a foreign country or to U.S. armed forces stationed overseas, for use as supplies on vessels or aircraft, and transfers to a foreign trade zone for subsequent exportation. Specifically, the TTB regulations at 27 CFR 28.221, 28.222, 28.225, 28.226, and 28.227 require brewers or their agents to make such claims on form TTB F 5130.6, Drawback on Beer Exported. This form documents the beer exported and the amount of tax claimed for drawback, and it certifies the beer's exportation, receipt by the U.S. armed forces for export, or lading as supplies on a vessel or aircraft.

This information collection is necessary to protect the revenue. The information collected on TTB F 5130.6 allows TTB to verify that beer for which a claimant requests export drawback is eligible for such drawback, as well as the amount of drawback to be paid.

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?*

Brewers or their agents complete the appropriate portions of TTB F 5130.6 to make export drawback claims for tax-paid domestic beer. Customs officers or U.S. Armed Forces officers certify, as appropriate, the beer's exportation to a foreign country, delivery to U.S. armed forces for overseas shipment, delivery for use as supplies on vessels or aircraft, or transfer to a foreign trade zone for subsequent exportation.

TTB personnel use the information collected on TTB F 5130.6 to verify that beer for which a claimant requests export drawback is, in fact, eligible for such drawback and in the amount claimed. This information collection is necessary to protect the revenue as it helps prevent incorrect and fraudulent export drawback 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 5130.6 is available as a fillable-printable form 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?*

This collection gathers information that is pertinent to each respondent and applicable to the specific issue of export drawback claims for beer. 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 in 27 CFR part 28 require all entities, regardless of size, to file TTB F 5130.6 to claim export drawback for beer. TTB uses the collection information to determine that beer for which a claimant requests export drawback is, in fact, eligible for such drawback, and in the amount claimed. Waiver or reduction of this requirement, simply because the respondent's business is small, could cause TTB to pay incorrect or fraudulent drawback claims, which jeopardizes 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?*

Brewers or their agents file TTB F 5130.6 to make export drawback claims for tax-paid beer. Elimination of this information collection would jeopardize the revenue, as TTB would not be able to process and verify such claims. Because respondents file these drawback claims only on an as-needed basis, TTB cannot conduct this collection 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).)*

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 5130.6 require respondents to prepare the form in quadruplicate for the products of each brewer. The brewer or the brewer's agent forwards the original and one copy to the customs or U.S. Armed Forces officer who will certify the exportation of the beer in question, forwards one copy to TTB's National Revenue Center, which serves as notice of the beer's exportation, and retains one copy for filing. The certifying officer then completes the appropriate portions of the two copies of the form he or she received, returning one to TTB's National Revenue Center and retaining one for filing.

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 and the regulated industry, TTB published a "60-day" comment request notice for this information collection in the Federal Register on Thursday, 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 these records 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, and it does not collect personally identifiable information (PII) in an electronic system. As such, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required.

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

Estimated Respondent Burden: Based on recent data provided by TTB's National Revenue Center, which processes export drawback claims, TTB estimates that 100 respondents file an average of 20 responses, resulting in 2,000 annual responses. TTB further estimates that each respondent requires 1 hour to complete one response, resulting in an annual burden of 20 hours per respondent and a total annual burden of 2,000 hours.

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

<b>NAICS 312000 - Beverage &amp; Tobacco Product Manufacturing – Office &amp; Administrative Support Occupations – Fully-loaded Labor Rate/Hour<sup>1</sup> = \$29.65</b>						
Information Collection	Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
Drawback on Beer Exported (TTB F 5130.6)	1.0 hour	\$29.65	20	\$593.00	2000	\$59,300.00

Respondent Record Retention: Under 27 CFR 28.45, respondents must maintain file copies of any forms and records required under that part for a period of at least 2 years, during which such copies and records must be made available for inspection by appropriate TTB officers during normal business 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 believes that there are no annualized start-up or maintenance costs to respondents associated with this occasional information collection request. As for mailing costs, TTB estimates that the estimated 100 respondents file an average of 20 responses each, with each response resulting in \$4.00 in postage and mailing supplies, resulting in \$80.00 per year per respondent in mailing costs and \$8,000.00 in total annual mailing costs for this information collection.

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

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

<sup>1</sup> Private Sector Fully-loaded Labor Rate = Hourly 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](https://www.bls.gov/oes/current/naics3_312000.htm).

TTB estimates the annual labor costs to the Federal Government for this information collection as follows:

<b>Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio</b>					
Position	Fully-loaded Labor Rate/Hour <sup>2</sup>	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$32.13	0.1 hour	\$3.21	2,000	\$6,420
GS-11, Step 5, Specialist	\$58.91	0.25 hour	\$14.73		\$29,460
<b>TOTALS</b>	<b>(\$51.257)</b>	<b>0.35 hour</b>	<b>\$17.94</b>	<b>2,000</b>	<b>\$35,880</b>

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

There are no program changes associated with this information collection. As for adjustments, due to a change in agency estimates since our last report in 2017, TTB is decreasing the total annual responses to this information collection, from 2,400 to 2,000, and is decreasing the average number of responses per respondent, from 24 to 20. This results in a decrease in this collection's annual burden, from 2,400 hours to 2,000.

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 form, TTB F 5130.6. By not displaying that date on the form, TTB will not have to update the form on its website each time OMB reapproves this information collection. Similarly, respondents and other businesses will not have to update stocks of the paper form, self-produced electronic copies of the form, or versions of the form made for sale to other businesses. Additionally, not displaying the information collection's OMB approval expiration date on the form will avoid confusion among members of the public who may have copies of the form with different expiration dates in their possession.

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<sup>2</sup> 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 Cincinnati, Ohio, wage area are: (1) GS-5, step 5, employee = \$32.13 (\$19.71 in wages plus \$12.42 in benefit costs); and (2) GS-11, step 5, employee = \$58.91 (\$36.14 in wages plus \$22.77 in benefit costs). See the OPM website at [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/CIN\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/CIN_h.pdf).

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.