

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement — Information Collection Request**

**OMB Control Number 1513–0064**

**Importers Records and Reports (TTB REC 5170/1)**

**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 chapters 51 and 52 of the Internal Revenue Code of 1986, as amended (IRC, 26 U.S.C.), which govern the production and excise taxation of alcohol and tobacco products, respectively.<sup>1</sup> TTB also administers the Federal Alcohol Administration Act (FAA Act, 27 U.S.C. 201 *et seq.*, which governs, among other things, the production, importation, and marketing of alcohol beverage products. TTB administers those laws 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 and FAA Act administrative and enforcement authorities to TTB through Treasury Department Order 120–01.

Furthermore, section 405 of the Security and Accountability for Every Port Act of 2006 (SAFE Port Act, Pub. L. 109–347) requires all Federal agencies that collect export or import information to participate in the International Trade Data System (ITDS) operated by Customs and Border Protection (CBP). The ITDS program established an electronic “single window” using CBP’s Automated Commercial Environment (ACE) system through which exporters and importers submit information required by CBP and other Federal agencies. The ACE system then electronically transfers the relevant information to each participating agency.

Pursuant to its IRC authorities, TTB regulates, among other things, the importation of beverage and non-beverage alcohol products, tobacco products, processed tobacco, and cigarette papers and tubes. Pursuant to its FAA Act authorities, TTB regulates, among other things, the importation and labeling of distilled spirits, wine, and malt beverages. The TTB regulations in 27 CFR require importers to submit certain information to TTB concerning imports of such products. The required information identifies the responsible importer, the alcohol or tobacco products and the amount of products imported, and the taxes paid, or, if the product is released from customs custody without payment of tax, information regarding the bonded facility to which the product is transferred. For alcohol beverage products, TTB and CBP also use the collected information to ensure that importers possess a Certificate of Label Approval (COLA) for the imported product and that the product’s label complies with the FAA Act’s other requirements. In addition, the

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<sup>1</sup> Specifically, see chapter 51 of the IRC at 26 U.S.C. 5001, 5005, 5041, 5043, 5051, 5054, and 5555, and chapter 52 of the IRC at 26 U.S.C. 5701, 5703, 5713, and 5741.

TTB regulations allow importers to submit letterhead applications to request variances from the methods and procedures specified in the regulations for the submission of import information.

The collected information is necessary to protect the revenue and ensure compliance with relevant Federal laws and regulations concerning alcohol and tobacco imports.

The following TTB regulations in 27 CFR chapter I contain information collection requirements related to the importation of TTB-regulated commodities, which are contained under OMB control number, 1513-0064:

§ 1.58	§ 4.27	§ 4.40	§ 4.45	§ 4.53	§ 4.70
§ 5.45	§ 5.51	§ 5.52	§ 5.56	§ 7.31	§ 26.52
§ 26.112a	§ 26.163	§ 26.200	§ 26.205	§ 26.222	§ 26.272
§ 26.273a	§ 26.276	§ 26.292	§ 26.294	§ 26.296	§ 26.301
§ 26.318	§ 26.331	§ 27.48	§ 27.76	§ 27.77	§ 27.133
§ 27.137	§ 27.138	§ 27.140	§ 27.172	§ 27.208	§ 27.209
§ 27.221	§ 41.81	§ 41.86	§ 41.204	§ 41.265.	

This information collection is aligned with:

*Line of Business/Sub-function:* General Government/Taxation Management.

*IT Investment:* International Trade Data System (TTB data set).

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

TTB uses the information collected under this request to protect the revenue and ensure compliance with relevant Federal laws and regulations concerning alcohol and tobacco imports. At the time of importation, or during field audits, TTB and CBP personnel use the collected information to ensure that: (1) Alcohol and tobacco importers have the required IRC and/or FAA Act permit; (2) applicable taxes are paid, or products released from customs custody without payment of tax for transfer in bond are eligible for such release and are sent to eligible bonded facilities; and (3) alcohol beverage product labels have a COLA and comply with other FAA Act requirements. In addition, TTB uses the letterhead applications and notices approved under this information collection to ensure that an importer's proposed alternative methods will provide equal protection to the revenue and will not pose a burden to TTB in administering 27 CFR parts 26 and 27.

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?*

CBP's International Trade Data System (ITDS) is an interagency program to establish an electronic "single window" through which importers and exporters may submit the data required by Federal government agencies for clearing imports. Using ITDS, importers may electronically submit TTB-required information regarding the import of TTB-regulated commodities in lieu of paper submissions.

In cases where the TTB regulations require importers to keep records supporting the information submitted via ITDS, respondents maintain such records at their business premises, and they may keep those records in paper or electronic formats at their discretion.

*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 requires information that is pertinent and unique to each importer's specific operations, specifically the importation of TTB-regulated alcohol and tobacco products. 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?*

TTB considers this information collection to be the minimum necessary to protect the revenue and ensure compliance with TTB import regulations. As such, TTB cannot reduce this collection's requirements based on the size of the respondent. TTB notes that entities of all sizes may use CBP's electronic import entry system to provide the required information.

*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 collecting the required information, or collecting it less frequently, would jeopardize the revenue generated by alcohol and tobacco imports and could lead to the introduction of mislabeled alcohol beverage products into the domestic market as TTB would be less able to trace transactions involving imports of such products.

*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 public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on November 3, 2020, at 85 FR 69680. 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 does not provide any specific assurance of confidentiality 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 tax-related information 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?

*Estimated Respondent Burden:* Based on recent data, TTB estimates that, annually, this information collection request has 10,550 respondents, each making 6 responses, for a total of 63,300 responses. TTB further estimates that each response requires 20 minutes to complete, which results in an estimated total annual burden of 21,100 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>2</sup> = \$29.65</b>						
Information Collection	Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
Importers Records and Reports (TTB REC 5170/1)	20 minutes	\$9.88	6	\$59.28	63,300	\$625,404.00

*Respondent Record Retention:* Under 27 CFR 27.137 (for alcohol products) and 27 CFR 41.22 (for tobacco products), importers must retain records required under this information collection for 3 years after the release of the products from customs custody.

<sup>2</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).

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)?*

Respondents electronically supply the collected import entry information to CBP as part of its import entry requirements. In addition, respondents file letterhead applications for variances on a very occasional basis. As such, TTB believes that there are no additional costs to respondents associated with this information collection other than mailing costs for no more than 5 annual variance requests, at a cost of \$1.00 per respondent and \$5.00 in total.

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

CBP electronically collects the information required by TTB as part of the import entry process, and CBP systems then electronically transmit that information to TTB. In addition, respondents retain any required import supporting records at their business premises. Furthermore, TTB receives no more than 5 letterhead variance applications from importers annually. As such, TTB believes that this TTB information collection does not impose additional annualized costs on the Federal Government.

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

There are no program changes associated with this information collection at this time. As for adjustments, due to a change in agency estimates, TTB is increasing the total annual responses to this information collection, from 10,521, to 10,550. Because of that increase, TTB is increasing the annual number of responses, from 63,126 to 63,300, and the estimated total annual burden, from 21,042 to 21,100 hours.

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?*

This information collection consists of import data elements submitted electronically to TTB via CBP's International Trade Data System, the documenting and supporting import records for that data kept by regulated industry members at their business premises, and occasional letterhead applications and notices related to such records. As such, there is no prescribed TTB form for this collection, and, therefore, 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.

(g) This information collection consists of import data elements submitted electronically to TTB via CBP's International Trade Data System and the supporting import records for that data kept by regulated industry members at their business premises. It also

includes occasional letterhead applications and notices related to such records. As such, there is no medium for TTB to inform respondents of the information called for under 5 CFR 1320.8(b)(3).

- (i) No statistics are involved.

**B. Collections of Information Employing Statistical Methods.**

This information collection does not employ statistical methods.