

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement — Information Collection Request**

**OMB Control Number 1513–0075**

**Proprietors or Claimants Exporting Liquors, TTB REC 5900/1**

**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 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, chapter 51 of the IRC imposes Federal excise taxes on distilled spirits, wine, and beer produced in or imported into the United States. However, under the IRC at 26 U.S.C. 5053, 5214, and 5362, proprietors may export distilled spirits, wine, and beer, respectively, without payment of excise tax. Additionally, under the IRC at 26 U.S.C. 5055 and 5062, proprietors may export taxpaid beer, wine, and distilled spirits and then claim drawback (refund) of the taxes paid, under regulations prescribed by the Secretary. The IRC at 26 U.S.C. 5555 also requires persons liable for alcohol excise taxes to keep records and comply with the rules and regulations prescribed by the Secretary.

Under those IRC authorities, the TTB regulations in 27 CFR Part 28, Exportation of Alcohol, require proprietors and export drawback claimants to keep certain records documenting the export of untaxpaid and taxpaid alcohol products. Specifically, §§ 28.40 through 28.43 list the documents that such persons may use as evidence of such exportation<sup>1</sup>. Most of the listed documents are usual and customary commercial records kept by respondents during the normal course of business, such as bills of lading, air and rail receipts, and other transfer and shipping records. Respondents also may use copies of certain Customs and Border Protection (CBP) or TTB forms as evidence of export. Additionally, § 28.45 requires proprietors and export drawback claimants to retain copies of all forms and records required by part 28 for at least two years, and to make those records available for TTB inspection during normal business hours.

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<sup>1</sup> Alcohol beverages laden as supplies on certain vessels and aircraft, or shipped to U.S. armed forces stationed overseas, are considered to be exported for the purposes of part 28; see 27 CFR 28.41 regarding documentation of such lading for distilled spirits and wine, and 27 CFR 28.43 regarding documentation of such lading for beer.

The records required under this collection support the information that respondents report to TTB on TTB F 5100.11, Withdrawal of Spirits, Specially Denatured Spirits, or Wines for Exportation (approved under OMB No. 1513–0037) and TTB F 5130.12, Beer for Exportation (approved under OMB No. 1513–0114). As such, this information collection is a part of the system of records that TTB uses to maintain accountability over distilled spirits, wine, and beer, which is necessary to protect the revenue.

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?*

Proprietors and export drawback claimants use the collected information to document the exportation of non-taxpaid alcohol products and taxpaid alcohol products on which they will claim drawback. In turn, TTB uses the required export records to protect the revenue. TTB personnel use the collected information during field compliance inspections or tax audits to verify the export of non-taxpaid alcohol products and taxpaid alcohol products exported with benefit of tax drawback. This verification allows TTB to prevent or detect diversion of non-taxpaid alcohol products into the taxable domestic market, and to prevent the payment of fraudulent or incorrect 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 does not prescribe a format or system for this recordkeeping requirement. However, as outlined in §§ 28.40 through 28.43, and in TTB Industry Circular 2004–3, respondents may use usual and customary commercial records to document the required information, and they may use electronic records and recordkeeping systems of their choice to maintain the required information.

*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 information collection requires respondents to keep records that document the export of specific non-taxpaid alcohol products or taxpaid alcohol products on which they will claim drawback. As far as TTB can determine, similar information regarding such exports 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 keep records documenting the export of non-taxpaid alcohol products and taxpaid alcohol products on which they will claim drawback. Waiver or reduction of this recordkeeping requirement, simply because the respondent's business is small, could allow the undetected diversion of non-taxpaid alcohol

products into the domestic market, or the payment of fraudulent or incorrect export drawback claims, which would jeopardize 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?*

This information collection is a part of the system of records that TTB uses to maintain accountability over alcohol products, which are subject to tax when sold or used in the domestic market, but are not subject to tax if exported. TTB uses the required export documentation to prevent diversion or detect of non-taxpaid alcohol products into the domestic market, and to prevent payment of fraudulent or incorrect export drawback claims. As such, eliminating this information collection requirement would jeopardize the revenue. In addition, because respondents collect the required information only on an as-needed basis to document their alcohol exports, 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?*

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 provides no specific assurance of confidentiality for the required records, which respondents maintain at their business premises. 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 that section specifically authorizes such disclosure.

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 consists of records maintained by respondents at their business premises, and, as such, it does not collect personally identifiable information (PII) in a government 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 750 respondents will maintain the required export documentation records, with each respondent making one annual response, resulting in 750 total annual responses. TTB further estimates that each response will take 1 hour, resulting in an estimated total burden of 750 hours for this information collection requirement.

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

<b>Proprietors or Claimants Exporting Liquors, TTB REC 5900/1</b> <b>NAICS 312000 – Beverage Manufacturing – Office &amp; Administrative Support</b> <b>Occupations – Fully-loaded Labor Rate/Hour<sup>2</sup> = \$29.59</b>					
Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
1 hour	\$29.59	1	\$29.59	750	\$22,192.50

*Respondent record retention:* Under 27 CFR 28.45, proprietors and export drawback claimants must retain the export documentation records required under this information collection for at least two years, and they must make those records available for TTB inspection 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)?

This information collection consists of usual and customary records kept by respondents during the normal course of business, along with copies of certain Government forms approved under other OMB control numbers. As such, TTB believes that there are no additional annualized costs to respondents associated with this information collection.

<sup>2</sup> Private Sector Fully-loaded Labor Rate is calculated as hourly wage x 1.44 to account for benefit costs. Per the most recent U.S. Department of Labor, Bureau of Labor Statistics, data for National Industry-Specific Occupational Employment and Wage Estimates for NAICS 312100—Beverage Manufacturing, the average fully-loaded labor rate per hour for Office and Administrative Support Occupations (43-0000) is \$29.59 (\$20.55 in wages plus \$9.04 in benefit costs). See the Bureau of Labor Statistics website at [https://www.bls.gov/oes/current/naics4\\_312100.htm](https://www.bls.gov/oes/current/naics4_312100.htm).

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

This information collection consists of export documentation records maintained by respondents at their business premises. As such, there is no cost to the Federal Government associated with this information collection.

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.

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 TTB-prescribed collection instrument for this information collection, which consists of commercial records and copies of Government forms kept by respondents at their places of business. As such, 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.
- (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.