

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0093

**Application for Extension of Time for Payment of Tax; Application for
Installment Agreement**

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 (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 Order 120–01.

The IRC at 26 U.S.C. 6161 authorizes the Secretary to grant taxpayers additional time for paying taxes on any return required under the authority of the IRC for a reasonable period, not to exceed 6 months from the date the taxes are due. Pursuant to that IRC section, the TTB regulations at 27 CFR 53.156 provide that firearms and ammunition excise taxpayers may request an extension of time to pay such liabilities, which respondents file using form TTB F 5600.38, Application for Extension of Time for Payment of Tax. While, to date, TTB has not issued regulations regarding extensions of time for payment of alcohol and tobacco excise taxes, TTB will accept and consider such applications filed on TTB F 5600.38.

In addition, the IRC at 26 U.S.C. 6159 authorizes the Secretary to enter into a written agreement with a taxpayer to allow installment payments of taxes due “if the Secretary determines that such an agreement will facilitate full or partial payment of such liability.” Under that IRC authority, the TTB procedure and administrative regulations at 27 CFR 70.481 allow a taxpayer to request an installment payment plan for their tax liabilities. Previously, TTB received very few (less than five per year) installment payment requests, and TTB did not offer a standardized public-use form to apply for such agreements.

However, due to the COVID–19 pandemic and resulting economic hardships faced by many businesses, particularly small businesses such as craft alcohol beverage producers and brewpubs (restaurants with onsite breweries), TTB has seen an increase in the number of taxpayers requesting installment payment agreements. Therefore, TTB has developed a new standardized form for taxpayers to use when requesting an installment agreement for excise tax payments, TTB F 5600.31, Application for Installment Agreement. Using that form, a taxpayer may request an agreement under which they will make an initial payment and pay the remaining liability by a certain date, or the taxpayer may request an installment

payment agreement under which they will pay their tax liability in set, periodic installments. Per the form's instructions and the related public guidance, taxpayers requesting installment agreements must attach certain documentation regarding their financial situation in support of their request.¹

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?

Respondents use the information collections contained in this collection request to apply for an extension of time to pay their Federal alcohol, tobacco, firearms, or ammunition tax liabilities, or to apply for an installment plan to pay such tax liabilities. Using either TTB F 5600.38, Application for Extension of Time for Payment of Tax, or TTB F 5600.31, Payment Agreement, as relevant, a taxpayer identifies themselves, the specific Federal excise tax and amount in question, and the reasons why the requested time extension or installment plan for payment is necessary. TTB evaluates the information provided on the relevant form and the required supporting financial documentation, records its decision to approve or disapprove the requested time extension or installment plan on the form, and notifies the taxpayer of that decision by returning a copy of the application form to the respondent.

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. Currently, forms TTB F 5600.38 and TTB F 5600.31 are available on the TTB website as fillable-printable forms; see <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 request provides information that is pertinent to each respondent and applicable to a taxpayer's request for an extension of time or an installment plan to pay specific excise tax liabilities. 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?

The information contained on TTB F 5600.38 or TTB F 5600.31 is necessary to identify a particular taxpayer, the specific excise tax and amount in question, and their reason(s) for requesting approval of an extension of time or an installment plan to pay that tax. Such

¹ In particular, respondents requesting installment agreements lasting longer than 12 months must attach a Collection Information Statement documenting their financial situation, using either TTB F 5600.17 (for individual taxpayers) or TTB F 5600.18 (for businesses), which are approved under OMB No. 1513-0054.

applications are unique occurrences dependent upon the specific taxpayer's financial situation at the time of the application. As such, this information collection is not susceptible to reduced requirements for small business.

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?*

Respondents complete TTB F 5600.38 or TTB F5600.31 only as often as is necessary to meet their own needs in requesting additional time to pay taxes due or to make installment payments, respectively. Without these forms, taxpayers would have no standardized means of supplying the appropriate information that would allow TTB to evaluate such requests. Consequently, elimination or less frequent collection of TTB F 5600.38 or TTB F 5600.31 would adversely affect excise taxpayers' opportunity to apply for extensions of time to pay excise tax liabilities or to request installment payment plans for such liabilities.

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 that would require it to be inconsistent with OMB guidelines.

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.*

Currently, TTB is requesting emergency approval of this revised information collection request, which OMB last approved under control number 1513-0093 on October 3, 2019. We are making this emergency approval request in order to add TTB F 5600.31, Installment Agreement, to this collection request as some excise taxpayers, particularly small alcohol beverage producers and brewpubs, have had difficulty paying their full tax liabilities on time due to economic hardships related to the ongoing COVID-19 pandemic and related economic downturn. As such, TTB has not published a 60-day comment request notice for this revised information collection request.

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 request.

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 on form TTB F 5600.38 or form TTB F 5600.31. However, the IRC 26 U.S.C. 6103 prohibits disclosure of tax returns and tax-related information unless that section specifically authorizes such disclosure. TTB maintains the collected information 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.*

This information collection request contains no questions of a sensitive nature. However, it does collect personally identifiable information in an electronic system. As such, TTB has conducted a Privacy Impact Assessment (PIA) for the information collected under this request as part of and Tax Major Application. TTB’s PIAs are available on its website at <https://www.ttb.gov/foia/privacy-impact-assessments>. In addition, TTB has issued a Privacy Act System of Records notice (SORN) for the collected information as part of the Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB) .001—Regulatory Enforcement System of Records. TTB last published that SORN in the Federal Register on February 10, 2021, at 86 FR 8988. Furthermore, TTB F 5600.38 and TTB F 5600.31 each contain a Privacy Act notice.

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

Estimated Respondent Burden: Based on recent data, TTB estimates the annual respondent burden for this information collection request as follows:

OMB No. 1513–0093, Application for Extension of Time for Payment of Tax, and Application for Payment Agreement				
Information Collection	Number of Respondents	Total Responses (1 response per respondent)	Per Response Burden	Total Burden Hours
Application for Extension of Time for Payment of Tax (TTB F 5600.38)	100	100	1.0 hour	100 hours
Application for Payment Agreement (TTB F 5600.31)	100	100	2.0 hours	200 hours
Totals	200	200	(1.5 hours)	300 hours

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$54.53 per hour for accountants and auditors employed in the beverage and tobacco product manufacturing industries, TTB estimates the per-respondent and total respondent labor costs for this information collection as follows:¹

¹ Private Sector Fully-loaded Labor Rate per Hour = Hourly wage rate x 1.44 to account for employee 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 312000—Beverage and Tobacco Product Manufacturing, the average fully-loaded labor rate per hour for Accountants and Auditors is \$54 .53 (\$37.87 mean hourly wage + \$16.66 in benefit costs). See https://www.bls.gov/oes/current/naics3_312000.htm.

NAICS 312000 - Beverage & Tobacco Product Manufacturing Accountants and Auditors Average – Fully-loaded Labor Rate/Hour = \$54.53*				
Information Collection	Time per Response	Labor Cost per 1 Annual Response per Respondent)	Total Responses	Total Labor Costs
Application for Extension of Time for Payment of Tax (TTB F 5600.38)	1.0 hour	\$54.53	100	\$5,453.00
Application for Payment Agreement (TTB F 55600.31)	2.0 hours	\$109.06	100	\$10,906.00
TOTALS	(1.5 hours)	(\$81.795)	200	\$16,359.00

* Wages and costs rounded to the nearest whole cent, unless otherwise noted.

Respondent Record Retention: In general, the TTB regulations require alcohol industry respondents to retain record copies of forms submitted to TTB for 3 years from the date of the record or the date of the last entry in the record, whichever is later; see 27 CFR 19.575, 24.300(d), and 25.300(c). The TTB regulations require tobacco industry respondents to retain record copies of forms submitted to TTB for 3 years after the end of the calendar year in which the form was filed; see 27 CFR 40.185, 41.22, 44.142, and 45.51(d). Under 27 CFR 53.24, firearms and ammunition taxpayers must retain records for at least 3 years after the due date of the tax in question or 3 years after the tax is paid, whichever is later.

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)?*

There are no annualized costs to respondents associated with this occasional information collection request. As for respondent mailing costs, TTB estimates that each respondent has no more than \$10.00 in such costs for each response. Given that respondents make one response per year, each of the 200 respondents has \$10.00 in annual mailing costs, and there is a total of no more than \$2,000.00 in such costs for this information collection request.

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

TTB estimates the annualized labor costs to the Federal Government for this information collection request as follows, based on labor costs for personnel at TTB's National Revenue Center in Cincinnati, Ohio:

Position	Fully-loaded Labor Rate/Hour ¹	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$32.45	0.25 hour	\$8.11	200	\$1,622.00
GS-11, Step 5, Specialist	\$59.50	6.0 hours	\$357.00		\$71,400.00
GS-13, Step 5, Supervisor	\$84.79	1.5 hours	\$127.19		\$25,438.00
GS-14, Step 5, Asst. Director	\$100.20	1.0 hour	\$100.20		\$20,040.00
TOTALS	(\$67.7142)	(8.75 hours)	\$592.50	200	\$118,500.00

* Wages and costs rounded to the nearest whole cent, unless otherwise noted.

TTB estimates that it has \$1.00 per response in overhead costs for this information collection request, totaling \$200.00, but TTB’s printing and distribution costs for this request have decreased to \$0.00 due to the availability of TTB forms to the public on the TTB website. As such, the total estimated cost to the Federal Government for this information collection request is **\$118,700.00**.

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

Program changes: Previously, this information collection request was titled “Application for Extension of Time for Payment of Tax,” and it contained one information collection of the same title, submitted to TTB using form TTB F 5600.38. However, as a matter of agency discretion in response to the economic hardship faced by many small businesses because of the COVID-19 pandemic, TTB is adding a second information collection to this request to provide an additional method of relief to taxpayers. This second information collection is titled “Application for Installment Agreement,” under which respondents will submit form TTB F 5600.31 and certain supporting documents to request approval of an installment plan to pay outstanding excise tax liabilities. As such, TTB is renaming this information collection request “Application for Extension of Time for Payment of Tax; Application for Installment Agreement.” TTB estimates that this program change will add 100 respondents and 200 hours of total annual burden to this information collection request, with each applicant making one annual response that will require 2 hours to complete.

Adjustments: For the existing Application for Extension of Time for Payment of Tax information collection, submitted on TTB F 5600.38, due to changes in agency estimates, TTB is increasing the number of annual respondents, and the per-response and total annual burden associated with that collection. TTB is increasing the number of respondents

¹ Fully-loaded labor and total costs rounded to the nearest whole cent, unless otherwise noted. 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 = \$32.45 (\$19.91 in wages plus \$12.54 in benefit costs); (2) GS-11, step 5, employee = \$59.50 (\$36.50 in wages plus \$23.00 in benefit costs); (3) GS-13, step 5 = \$84.99/hour (\$52.20 in wages plus \$32.77 in benefit costs); and (4) GS-14, step 5, = \$100.20 (\$61.47/hour in wages plus \$38.73 in benefit costs). See the OPM website at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/CIN_h.pdf.

annually requesting time extensions for payment of tax from 30 to 100. In addition, TTB is increasing the per-response burden associated with that information collection from 15 minutes per response to 1 hour to more accurately account for the time respondents need to gather the supporting documentation required with the time extension request application form, TTB F 5600.38. This results in an increase of the estimated total annual burden for the time extensions for payment of tax collection from 7.5 hours to 100 hours. In addition, TTB is adding a Privacy Act Information statement to that form.

Burden Increase Summary: Taken together, the program changes and adjustments to this information collection request increase the estimated total number of respondents from 30 to 200 (each respondent making one annual response), which results in an increase of the request's estimated total annual burden, from 7.5 hours to 300.

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 request.

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?

TTB will display the expiration date for OMB approval on each form associated with this information collection request, TTB F5600.38 and TTB F 5600.31.

18. What are the exceptions to the certification statement?

(c) Not applicable; see item 5 above.

(f) This is not a recordkeeping requirement.

(i) No statistics are involved.

(j) Not applicable; see item 3 above.

B. Collection of Information Employing Statistical Methods

This information collection request does not employ statistical methods.