

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**Supporting Statement — Information Collection Request**

**OMB Control Number 1513–0030**

**Claims—Alcohol, Tobacco, and Firearms Taxes.**

**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, wines, 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 (IRC), as amended (26 U.S.C.). TTB administers those IRC provisions pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). The Secretary of the Treasury (Secretary) also has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Order 120–01.

Various IRC sections in 26 U.S.C. authorize the Secretary to provide for the filing of claims for relief for the Federal excise taxes paid or determined on distilled spirits, wine, beer, tobacco products, cigarette papers and tubes, and firearms and ammunition. The types of relief for which respondents may file claims include—

- Abatement of tax: The taxpayer is released from tax liability before the tax assessment is paid.
- Allowance of loss: The taxpayer is discharged of potential tax liability before tax payment or assessment.
- Allowance of tax: Filed when a product, after removal from a premises or prior to payment of tax, is lost or destroyed by theft, vandalism, fire, flood, or other disaster while still under title to the manufacturer. Claims related to theft must establish that the loss was not the result of negligence, fraud, or collusion on the part of the taxpayer.
- Allowance of credit for tax: Tax already paid is applied to the taxpayer's next tax return or is applied to reduce a current tax liability.
- Drawback of tax: Nonbeverage product manufacturers claim a partial refund or remittance for taxes paid on distilled spirits used in the production of medicines, food products, flavoring extracts, and perfumes which are unfit for beverage use.
- Refund of tax: Refund of any tax erroneously or excessively collected.

- Remission of tax: Given when a mistake was made in calculation of the tax or there was a cancellation of tax prior to determination of payment.

In general, the IRC, at 26 U.S.C. 5008, 5044, 5056, 5064, 5370, 5705, and 5708, authorizes claims for the abatement, allowance, credit, refund, or remission of excise taxes on alcohol products, tobacco products, or cigarette papers and tubes that were condemned, destroyed, lost or made unmarketable due to disaster, theft, or vandalism; voluntarily destroyed or withdrawn; or returned to bond. The IRC, at 26 U.S.C. 5055, 5062, and 5706, also provides for drawback (refund) of taxes paid on alcohol or tobacco products subsequently exported outside of the United States. In addition, 26 U.S.C. 5111–5114, authorizes drawback of a portion of taxes paid on distilled spirits used in the manufacture of certain nonbeverage products, while 26 U.S.C. 5373(b)(3) allows a tax credit for wine spirits removed from a distilled spirits plant and used in the production of wine. Under the IRC at 26 U.S.C. 6402–6404, taxpayers may file claims for abatement, credit, or refund of erroneous, excessive, or overpaid excise or special occupational taxes; 26 U.S.C. 6416 allows for the credit or refund of overpaid firearms and ammunition taxes; and 26 U.S.C. 6423 sets conditions on claims for erroneously collected alcohol and tobacco excise taxes. Under those IRC sections, claimants generally must submit their claims within 6 months of the relevant action in the form and manner that the Secretary prescribes by regulation.

Under its IRC and delegated authorities, TTB has issued regulations regarding claims for tax relief. In general, the TTB regulations require respondents to file claims for relief of the excise or special occupational taxes it collects using form TTB F 5620.8, Claim—Alcohol, Tobacco, and Firearms Taxes. This form, and any required supporting documentation, identifies the claimant, the regulatory section the claim is made under, the type of claim and its basis, the kind and amount of tax claimed, and, if relevant, account information for the deposit of refunded tax. The following TTB regulations in 27 CFR chapter I require the use of TTB F 5620.8 or govern the submission of a claim on that form:

- §§ 17.141 and 17.142 (drawback for nonbeverage alcohol products);
- §§ 19.262–19.266, 19.269, 19.452, 19.462, and 19.464 (distilled spirits);
- §§ 20.202–20.205 (denatured alcohol and rum);
- § 24.29 and §§ 24.65–24.70 (wine);
- §§ 25.224, 25.225, 25.281–25.283, 25.285, and 25.286 (beer);
- §§ 26.173, and 26.309 (liquors from Puerto Rico and the Virgin Islands);
- §§ 28.303, 28.310, 28.315, and 28.317 (alcohol for export);
- §§ 31.221 (alcohol beverage dealers);
- §§ 40.281–40.301, 40.313, and 40.471–40.474 (domestically produced tobacco products and cigarette papers and tubes);
- §§ 41.161–41.163, and 41.165 (imported tobacco products and cigarette papers and tubes);

- §§ 44.152–44.154 (exported tobacco products and cigarette papers and tubes);
- §§ 46.5–46.9, 46.74–46.77, and 46.251–46.254 (miscellaneous regulations for tobacco products and cigarette papers and tubes);
- §§ 53.171–51.184 (firearms and ammunition excise taxes); and
- §§ 70.121–70.125 (general administrative regulations), §§ 70.413 and 70.414 (claims regarding alcohol excise taxes), § 70.435 (claims regarding tobacco excise taxes), § 70.448 (claims regarding firearms and ammunition excise taxes), §§ 70.501–70.508 (sets forth conditions under 26 U.S.C. 6423 for claims regarding erroneously collected alcohol and tobacco excise taxes), and §§ 70.601–70.608 (sets forth conditions and procedures for claims based on losses due to theft, vandalism, or malicious mischief).

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?*

For purposes of claims for abatement, allowance, credit, drawback, refund, or remission of excise or special occupational taxes, TTB uses the information provided by respondents on TTB F 5620.8 and any attached supporting documentation to validate such claims. The collected information identifies the claimant, the regulatory section the claim is made under, the type of claim and its basis, the kind and amount of tax claimed, and, if relevant, account information for the deposit of refunded tax. The collected information is necessary to protect the revenue as it allows TTB to ensure that it provides such tax relief only to legally eligible claimants.

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?*

The TTB claims form, TTB F 5620.8, is available as fillable-printable form on the TTB website forms page (<https://www.ttb.gov/forms>), which respondent may submit by postal mail or delivery service. In addition, after downloading and completing a TTB F 5620.8 claim form, respondents may upload and submit the completed form to TTB electronically via the Online Claims Submission portal on the TTB website (<https://my.ttb.gov/nrc-claims-submission/claim-form>).

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?*

TTB F 5620.8 contains information that is pertinent and unique to each respondent and claim submitted for abatement, allowance, credit, drawback, refund, or remission of Federal excise or special occupational taxes collected by the Bureau. 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 IRC requires all entities, regardless of size, to file a claim to substantiate their request for tax relief as the Secretary prescribes by regulation. As such, TTB requires the collected information to validate a claim for tax relief. TTB minimizes respondent burden by limiting the information collected to that necessary to protect the revenue. TTB cannot waive the statutory requirements concerning such claims because the respondent entity is small.

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?*

If TTB did not collect the required information, it could not process claims for tax relief or its processing of such claims would be delayed. In addition, if TTB did not collect the required information, it could refund money to ineligible claimants, which would jeopardize the revenue. In addition, respondents file claims at their discretion and, as such, 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).)*

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.*

To solicit comments from the public, TTB published a “60-day” comment request notice for this information collection in the Federal Register on November 16, 2021, at 86 FR 63448. 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 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 contains no questions of a sensitive nature. As for personally identifiable information collected under this request, TTB has conducted a Privacy Impact Assessment (PIA) for that information as part of the Tax Major Application system. TTB's PIAs are available on its website at <https://www.ttb.gov/foia/privacy-impact-assessments>. TTB also has published a Privacy Act System of Records notice (SORN), which includes that system, under "Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB) .001–Regulatory Enforcement System of Records." TTB's latest SORN appeared in the Federal Register on February 10, 2021, at 86 FR 8988.

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

Estimated Burden Hours: Based on recent data, TTB estimates the annual respondent burden hours for this information collection to be as follows:

Information Collection (TTB F 5620.8)	Annual Respondents (One response each per year)	Total Annual Responses	Per Response Burden	Total Burden
Private Sector (for profit)	4,480	4,480	1.0 hour	4,480 hours
Individuals or households	560	4,480	1.0 hour	560 hours
Private Sector (not-for-profit)	560	4,480	1.0 hour	560 hours
<b>TOTALS</b>	<b>5,600</b>	<b>5,600</b>	<b>1.0 hour</b>	<b>5,600 hours</b>

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:<sup>1</sup>

<b>Annual Respondent Labor Costs for OMB No. 1513–0030 (Accountants and Auditors in the Beverage and Tobacco Manufacturing Industries)</b>
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<sup>1</sup> Private Sector Fully-loaded Labor Rate per Hour = Hourly wage rate multiplied by a factor of 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. See [https://www.bls.gov/oes/current/naics3\\_312000.htm](https://www.bls.gov/oes/current/naics3_312000.htm). Fully-loaded wage rates in that industry for compliance officers, and for office and administrative support employees (such as bookkeepers) are less than those for accountants and auditors. In the firearms and ammunition industries, the fully-loaded labor rates for accountants and auditors, compliance officers, and administrative support employees also are less than those cited in this table. See NAICS 3120A1, Fabricated Metal Product Manufacturing Industry at [https://www.bls.gov/OES/Current/naics4\\_3320A1.htm](https://www.bls.gov/OES/Current/naics4_3320A1.htm)). As such, the cited total respondent labor costs are a maximum.

Avg. Time / Response	Fully-loaded Labor Rate / Response*	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
1.0 hour	\$54.53	1	\$54.53	5,600	\$305,368.00

\* Fully-loaded labor rate rounded to the nearest whole cent.

**Recordkeeping:** In general, the TTB regulations require claimants to retain record copies of all submitted claim forms and supporting documentation for at least three years after they file the claim, and they must make such records available to TTB officers for inspection upon request. OMB has approved the relevant recordkeeping requirements under OMB Control No. 1513–0088, Alcohol, Tobacco, and Firearms Related Documents for Tax Returns and Claims, TTB REC 5000/24.

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 compile the information collected under this request from usual and customary records kept during the normal course of business, such as production, inventory, loss, shipping, and transfer records, as well as tax and related records kept under other approved information collection requests. As such, TTB believes that there are no annualized capital, startup, operational, or maintenance associated with this information collection, which respondents file only on occasion at their discretion. Additionally, TTB estimates that 90 percent of respondents electronically file claims via the Online Claims Submission portal on its website (see <https://my.ttb.gov/nrc-claims-submission/claim-form>). As such, an estimated 5,040 of the 5,600 respondents to this collection incur no or very negligible non-labor costs for the completion and submission of TTB F 5620.8 and its supporting documents to TTB. As for the estimated 10 percent of respondents (560 of 5,600) who submit TTB F 5620.8 and its supporting documents by postal mail, TTB estimates that such claimants have no more than \$4.00 per response in supply and postage costs, for a total of \$2,240.

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

TTB estimates of the annual cost to the Federal Government for this information collection are as follows:

**General costs:** There are no printing and distribution costs to TTB’s due to the availability of TTB forms to the public through the TTB website (see <https://www.ttb.gov/forms>). TTB estimates overhead costs of \$1.00 per response for this information collection, which total \$5,600.00 for the 5,600 annual responses to this collection.

**Labor costs:** TTB estimates the annualized labor costs to the Federal Government for this information collection request as follows:

<b>Labor Costs for Personnel at TTB’s National Revenue Center in Cincinnati, Ohio, for OMB No. 1513–0030</b>					
Position	Fully-loaded Labor Rate per	Processing Time per	Labor Costs per Response	Total Responses	Total TTB Labor Costs

	Hour <sup>2</sup>	Response			
GS-5, Step 5, Clerk	\$33.27	6 minutes	\$3.33	5,600	\$18,648.00
GS-11, Step 5, Specialist	\$60.99	18 minutes	\$18.30		\$102,480.00
GS-13, Step 5, Supervisor	\$87.76	6 minutes	\$8.78		\$49,168.00
<b>TOTALS</b>	<b>(\$60.82)</b>	<b>30 minutes</b>	<b>\$30.41</b>	<b>5,600</b>	<b>\$170,296.00</b>

\* Labor costs rounded to the nearest whole cent.

Total Costs: Given its general and labor costs, TTB estimates the total cost to the Federal government for this information collection to be **\$175,896.00**.

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

Program Changes and Adjustments: There are no program changes associated with this collection. As for adjustments, due to changes in agency estimates, TTB is increasing the estimated number of overall annual respondents, responses, and burden hours for this information collection request, from 5,000 to 5,600 each. However, also due to changes in agency estimates, TTB is increasing the percentage of claims filed by “Private Sector—Businesses or other for-profits” respondents, from 70 percent of the total filed to 80 percent, which increases the estimated annual respondents, responses, and burden hours for such claimants, from 3,500 to 4,480 each. As a result, TTB also is decreasing the number of respondents, responses, and burden hours associated with the “Individual and Household” and the “Private Sector—Not-for-profit institutions” respondent categories from 750 to 560 each (from 15 to 10 percent each).

Form Changes: On the TTB F 5620.8 form, TTB is adding a Privacy Act Statement, which was inadvertently missing. In the Paperwork Reduction Act Notice, TTB is revising the title of the person to whom respondents direct comments regarding the information collection or its burden, from “Reports Management Officer,” to “Paperwork Reduction Act Officer,” and is adding a reminder to respondents not to mail completed forms to the submission address for form comments. TTB also is adding electronic submission and mailing addresses to the instructions on the form and is making minor editorial changes to the form, none of which change the information collected or the collection’s burden.

16. *Outline plans for tabulation and publication for collections of information whose results will be published.*

Using the collected data, TTB publishes the total amount of taxes that it returns to claimants as drawback and refunds in its Annual Reports. TTB generalizes all reported claims payment data, and it does not identify specific taxpayers in its Annual Reports, which TTB posts on its website at <https://www.ttb.gov/about-ttb/plans-and-reports-annual-reports>.

<sup>2</sup> Federal Government Fully-loaded Labor Rate = Hourly wage rate x 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) hourly wage data, the fully-loaded labor rates for Federal employees in the Cincinnati, Ohio, wage area are: (1) \$33.27 for GS-5 (step 5), and (2) \$120.85 for a GS-15 (step 5). See [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN_h.pdf).

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 of this information collection on its related form, TTB F 5620.8.

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.

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

This information collection does not employ statistical methods.