

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0131

Certificate of Taxpaid Alcohol

Changes Since Last Approval

Changes made to the Supporting Statement since this information collection's last approval:

- In Question 12, TTB is providing an estimate of respondent labor costs.
- In Question 14, TTB is providing a more detailed estimate of its labor and other costs.
- As explained in Question 15, TTB is revising portions of the Paperwork Reduction Act notice displayed on form TTB F 5100.4.
- Throughout the Supporting Statement, TTB is making minor editorial and grammatical changes for clarity.

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 (IRC, 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). 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. 5111-5114 authorizes "drawback" (refund) of all but \$1.00 per proof gallon of the Federal excise taxes paid on distilled spirits that are subsequently used in the manufacture of medicines, medicinal preparations, food products, flavors, flavoring extracts, and perfume that are unfit for beverage purposes. In addition, 19 U.S.C. 1313(d) provides that such products made in the United States and then exported are also eligible for drawback of all excise taxes paid on the distilled spirits used to make those products.

Under those authorities, the TTB regulations at 27 CFR 17.181 provide that a respondent may make a nonbeverage product export drawback claim to U.S. Customs and Border Protection (CBP) for the full amount of distilled spirits excise tax paid if they have not previously made a nonbeverage product drawback claim to TTB for the products in

question. When a respondent wishes to make such a claim to CBP, they first submit form TTB F 5100.4, Certificate of Taxpaid Alcohol, to TTB, listing the source and amount of distilled spirits eligible for drawback and the amount of excise taxes claimed. TTB then verifies the provided information and certifies on the form that it has issued no previous certificate for the described distilled spirits. This action is necessary to ensure that nonbeverage product export drawback is provided consistent with the relevant statutory provisions. (Alternatively, respondents may claim the remaining \$1.00 per proof gallon of excise tax paid if they have or will file such a claim with TTB under 26 U.S.C. 5114.¹)

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?

TTB uses the collected information to protect the revenue by ensuring that nonbeverage product export drawback is provided consistent with the relevant statutory provisions. Respondent making such claims to CBP must first submit form TTB F 5100.4, Certificate of Taxpaid Alcohol, to TTB, listing the source and amount of distilled spirits eligible for drawback and the amount of excise taxes claimed. TTB then verifies the provided information and certifies on the form that it has issued no previous certificate for the described distilled spirits. This certification helps prevent payment of duplicate nonbeverage product export 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 5100.4 is available as a fillable-printable form on the TTB Web site at <http://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?

TTB uses TTB F 5100.4 to collect information that is pertinent and unique to each nonbeverage product export drawback claim made under the provisions of 19 U.S.C. 1313(d). As far as TTB can determine, verified information regarding the source and amount of distilled spirits used in the manufacture of nonbeverage products eligible for export drawback and the amount of excise taxes paid on them is not available to CBP elsewhere.

5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?

¹ Respondents directly file nonbeverage drawback claims made under 26 U.S.C. 5114 with TTB using TTB F 5620.8, approved under OMB No. 1513-0030.

All nonbeverage product export drawback claimants, regardless of size, are required to provide a certified TTB F 5100.4 to CBP as part of their claim. The respondent information required on that form is minimal and readily available in usual and customary business records, and, as such, TTB cannot waive or reduce this collection simply because a respondent's business 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?*

Not requiring nonbeverage product export drawback claimants to file the certification required on TTB F 5100.4 with CBP could result in the payment of duplicate drawback claims by CBP and TTB, causing jeopardy to the revenue.

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 February 18, 2022, at 87 FR 9420. 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?*

While TTB provides no specific assurance of confidentiality for this information collection, the IRC at 26 U.S.C. 6103 prohibits disclosure of tax related information unless that section specifically authorizes its 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. In addition, this information request 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 Burden Hours: Based on recent data, TTB estimates that 10 respondents will each file one TTB F 5100.4 annually with TTB, resulting in 10 total annual responses. TTB also estimates that each response takes an average of 30 minutes (0.5 hour) to complete, resulting in an estimated total annual burden of 5 hours.

(10 annual respondents x 1 response each = 10 total annual responses x 0.5 hours per response = 5 total annual burden hours.)

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$49.62 per hour for compliance officers employed in the beverage manufacturing industry, TTB estimates the per-respondent and total respondent labor costs for this information collection as follows:²

Respondent Labor Costs for OMB No. 1513-0131 (Beverage Industry Compliance Officers — Average Fully-Loaded Labor Rate = \$49.62/hour*)					
Avg. Time / Response	Fully-loaded Labor Rate / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
30 minutes	\$24.81	1	\$24.81	10	\$248.10

* The fully-loaded labor rates and respondent labor costs are rounded to the nearest whole cent.

Recordkeeping: Under 27 CFR 17.170, claimants must retain a copy of each claim and any required supporting documents for at least 3 years, and under § 17.171, claimants must retain the required records at their premises, and must make those records available for TTB inspection during regular business hours. OMB has approved these claims-related 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)?*

TTB believes that respondents do not have any non-labor costs, other than mailing supply and postage costs, for this occasional information collection. As such, TTB estimates that each respondent has no more than \$2.00 in mailing supply and postage costs for its one

² Private Sector Fully-loaded Labor Rate = Hourly wage rate multiplied by 1.44 to account for employee 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 312100—Beverage Manufacturing, the average fully-loaded labor rate for Compliance Officers is \$49.62/hour. See https://www.bls.gov/oes/current/naics4_312100.htm.

annual response, which results in a total of \$20.00 in such costs for the estimated 10 annual responses to this information collection.

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: TTB has no printing and distribution costs for this information collection due to the availability of its forms on its website (see <https://www.ttb.gov/forms>). As for overhead and other costs for this collection, after TTB certifies a submitted TTB F 5100.4 form, it returns the form to the respondent by mail and keeps a copy for its records. TTB estimates its copying, mailing, and postage costs to be no more than \$2.00 per response, resulting in a total of \$20.00 for the 10 annual responses to this collection.

Labor costs: TTB employees ranging in grade from GS–5 technicians to GS–11 specialists may process form TTB F 5100.4. As such, TTB estimates the maximum annualized labor costs to the Federal Government for this information collection request as shown below:

Labor Costs for OMB No. 1513–0131 for TTB Personnel at the National Revenue Center in Cincinnati, Ohio					
Position	Fully-loaded Labor Rate per Hour ³	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS–5, Step 5, Clerk	\$33.27	15 minutes	\$8.32	10	\$83.20
GS–11, Step 5, Specialist	\$60.99	30 minutes	\$30.50		\$305.00
GS–13, Step 5, Supervisor	\$87.76	10 minutes	\$14.60		\$146.00
TOTALS	(\$58.28)	55 minutes	\$53.42	10	\$534.20

* Fully-loaded labor rates and Federal employee labor costs rounded to the nearest whole cent.

Total Costs: Given the above, TTB estimates that the total cost to the Federal Government for this collection is **\$534.20**.

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. Costs for mailing are being added which had not been estimated previously.

On form TTB F 5100.4, in its Paperwork Reduction Act notice, TTB is adding a reference to the IRC sections governing nonbeverage product drawback, and is clarifying that the

³ Federal Government Fully-loaded Labor Rate = Hourly wage x 1.63 to account for employee benefit costs. Per the most recent Office of Personnel Management (OPM) salary tables for Federal employees in the Cincinnati, Ohio, wage region, the hourly fully-loaded wage rates for TTB employees are as follows: (1) \$33.27 for GS–5 (step 5), (2) \$60.99 for GS–11, step 5, and (3) \$87.76 for GS–13, step 5. See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN_h.pdf.

collected information is necessary to obtain or retain a benefit (rather than provided voluntarily). In that notice, TTB also is revising the title of the person to whom respondent direct comments regarding the information collection and 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 stated comment submission address.

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?

TTB will display the expiration date for OMB approval for this information collection on its related form, TTB F 5100.4.

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.