

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0114

Beer for Exportation

Changes Since Last Approval

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

- Throughout the Supporting Statement, TTB is making minor editorial and grammatical changes for clarity.
- In Question 12, TTB is updating the burden for this information collection and is providing an estimate of respondent labor costs.
- In Question 14, TTB is providing a more detailed estimate of its labor costs for this information collection.
- In Question 15, TTB explains this collection's change in burden estimate and explains several minor changes to form TTB F 5130.12.

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. 5051 imposes Federal excise tax on beer removed from domestic breweries for consumption or sale. However, under the IRC at 26 U.S.C. 5053, brewers may remove beer from a domestic brewery for export without payment of tax, subject to regulations prescribed by the Secretary. Under that authority, the TTB regulations at 27 CFR 25.203 allow brewers to remove beer in bottles, kegs, or bulk containers without payment of tax for exportation.

The TTB regulations in 27 CFR part 28 require brewers to use form TTB F 5130.12, Beer for Exportation, to notify the Bureau of each removal of beer made without payment of tax for the export purposes. Under the IRC and the TTB regulations, "export purposes"

include direct export to a foreign country, use as supplies on certain vessels or aircraft, transfer to a foreign trade zone for export or storage pending export, and shipment to United States armed forces stationed overseas. The form also provides proof of the beer's disposition as it is used by Customs or U.S. armed forces officials, as appropriate, to certify the beer's exportation, lading as supplies on an eligible vessel or aircraft, transfer to a foreign trade zone pending export, or receipt for export to U.S. armed forces stationed overseas. The TTB regulations in 27 CFR part 28 that require or govern the use of TTB F 5130.12 are:

28.22	28.36	28.43	28.142	28.146	28.147
28.261	28.264	28.265	28.267	28.269	28.275
28.282	28.290	28.295	and 28.320.		

However, as authorized by 27 CFR 28.20, brewers may apply to use the alternate procedure described in TTB Industry Circular 2004–3, Beer for Exportation Monthly Summary Report and Recordkeeping Alternate Procedure, to report beer removed without payment of tax for export purposes to TTB and document its disposition using monthly summary reports.¹ Under this alternative, brewers complete the notice of shipment section of TTB F 5130.12 for each export removal but maintain the form and the related usual and customary business records documenting the beer's disposition at their premises, subject to TTB inspection. Using those records, brewers then notify TTB of removals for export via two monthly summary reports. The first report lists the date, amount, type, and total tax liability for each export removal during the month, while the second verifies that the brewer has received the required export documentation for previously-removed beer, which brewers must obtain within 90 days of the beer's export. While there are no prescribed TTB forms for the monthly summary reports, the industry circular contains a suggested format for the report, which respondents electronically submit to TTB via a dedicated e-mail address.

This information collection request is necessary to protect the revenue. Under the IRC and the TTB regulations, brewers making removals of beer without payment of tax for export purposes remain liable for the Federal excise tax on the removed beer until the beer is exported or destroyed. As such, TTB uses the required information to account for removals of beer made without payment of tax for export purposes and to help ensure that such untaxed beer is not diverted into the taxable domestic market.

This information collection request 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?*

TTB uses the information collected under this request to protect the revenue, as brewers making removals of beer without payment of tax for export purposes remain liable for the Federal excise tax on that beer until its exportation or destruction. As such, TTB uses the

¹ The letterhead applications submitted to TTB requesting to use the alternate procedure described in Industry Circular 2004–3 are approved under OMB Control No. 1513–0082.

requested information to account for beer removed without tax for export purposes and to help ensure that untaxed beer is not diverted into the taxable domestic market.

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?

Currently, TTB F 5130.12 is available as a fillable-printable form on the TTB website (see <https://www.ttb.gov/forms>). In addition, once approved to use the alternate procedure described in Industry Circular 2004–3, respondents electronically submit the required monthly summary reports to TTB as attachments to a dedicated email address.

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?

The collected information is unique to each respondent and applicable to specific removals of beer made without payment of tax for export purposes. As far as TTB can determine, similar information regarding such export removals is not available elsewhere.

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

To protect the revenue, TTB requires all brewers, regardless of size, to provide data regarding removals of beer made without payment of tax for export purposes. As such, waiver or reduction of this collection, simply because the respondent's business is small, would jeopardize the Federal revenue. In addition, TTB notes that respondents may request to use the alternative monthly summary reports in place of the per-removal reports made on TTB F 5130.12, which reduces the burden of this collection request for all respondents.

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 request allows TTB to account for beer removed without payment of tax for export purposes, which aids in detecting and preventing diversion of untaxed beer to otherwise taxable uses. TTB requires respondents to provide the requested information only when such removals are made, or, alternatively, on a monthly basis. As such, not conducting this collection, or conducting it less frequently, would jeopardize 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?

Under 5 CFR1320.5(d)(2)(iii), requiring respondents to submit more than an original and two copies of an information collection instrument is a special circumstance. When using TTB F 5130.12 to notify TTB of the export of beer without payment of tax and document the beer's subsequent export or receipt, respondents must execute Part I of that form in

quadruplicate, and must prepare a fifth copy, marked "Consignee's Copy," when the shipment is for use on an aircraft.

In addition, under 5 CFR 1320.5(d)(2)(i), requiring respondents to report information to an agency more often than quarterly is a special circumstance. Under this request, brewers must report removals of beer made without tax for export purposes each time they make such a removal, or, alternatively, by submitting monthly summary reports. TTB believes that this frequency of reporting is necessary to protect the revenue as the collected data allows TTB to account for such removals, which assists TTB in detecting and preventing the diversion of untaxed beer into otherwise taxable uses.

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 request in the Federal Register on February 18, 2022, at 87 FR 9420. TTB received no comments on this 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 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 for this information collection request. 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 the section specifically authorizes such action. TTB maintains the required forms and reports in secure file rooms with controlled access and password protected computer systems.

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. In addition, this 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 the annual burden associated with this information collection request as follows:

Information Collection	No. of Respondents	Avg. No. of Responses / Respondent	No. of Responses	Time Burden Per Response	Total Estimated Burden Hours
Beer for Export (submitted per removal on TTB F 5130.12)	200	10	2,000	1.65 hours	3,300
Monthly Summary Report and Recordkeeping Alternate Procedure	100	24*	2,400	3.0 hours**	7,200
TOTALS	300	14.667	4,400	2.386	10,500

* Each respondents submits 2 reports each month.

** 2 hours of recordkeeping and 1 hour of reporting.

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. 1513-0114 (Beverage Industry Compliance Officers — Average Fully-Loaded Labor Rate = \$45.24/hour*)						
Information Collection	Avg. Time / Response	Fully-loaded Labor Rate / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
Form 5130.12	1.65 hours	\$74.65	10	\$746.50	2,000	\$149,300.00
Monthly Summary Report	3 hours	\$135.72	24	\$3,257.28	2,400	\$325,728.00
TOTALS	(2.386 hours)	(\$107.958)	(14.667)	(\$1,583.427)	4,400	\$475,028.00

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

Recordkeeping: Under § 28.45, respondents must retain all record copies of all forms required under 27 CFR part 28 for a period of not less than two years, and during that time, such records must be made available to TTB officer for inspection during normal business hours.

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 mean hourly wage for Compliance Officers is \$31.42/hour, resulting in a fully-loaded labor rate of \$45.24/hour. See https://www.bls.gov/oes/current/naics4_312100.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)?

TTB does not believe respondents bear any non-labor, other than mailing supply and postage costs, for this information collection request because they generate the required information during the normal course of business in order to complete usual and customary business records such as bills of lading, shipping invoices, and sales receipts. As such, TTB estimates that each respondent has no more than \$2.00 in mailing supply and postage costs for each response, which results in a total of \$8,800.00 in such costs for the estimated 4,400 annual responses to this information.

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

TTB estimates of the annual cost to the Federal Government for this information collection request 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 \$4,400.00 for the 4,400 annual responses to this collection.

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

Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio, for OMB No. 1513-0030					
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	0.25 hour	\$8.32	4,400	\$36,608.00
GS-11, Step 5, Specialist	\$60.99	1 hour	\$60.99		\$268,356.00
GS-12, Step 5, Supervisor	\$73.12	0.5 hour	\$36.56		\$160,864.00
TOTALS	(\$60.497)	1.75 hours	\$105.87	4,400	\$465,828.00

* Labor costs rounded to the nearest whole cent unless otherwise noted)

Total Costs: Given its general and labor costs, TTB estimates the total cost to the Federal government for this information collection to be **\$470,228.00**.

³ 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.

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

Program changes: There are no program changes associated with this information collection request at this time.

Adjustments: As for adjustments, due to changes in agency estimates, TTB is increasing the number of annual respondents, average responses per respondent, total responses, and estimated total burden hours associated with this information collection. Those increases result from continued growth in the number of breweries in the United States that engage in export activities.

Form Changes: On form TTB F 5130.12, TTB is revising references to the “Director, National Revenue Center” as TTB no longer uses that position title, and is revising references to the “National Revenue Center” to “Office of Permitting and Taxation.” In the form’s Paperwork Reduction Act Notice, TTB is revising the title of the TTB official to whom respondents send comments regarding the form’s burden and is adding an admonition not to send completed forms to the stated public comment 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 request on its related form, TTB F 5130.12.

18. *What are the exceptions to the certification statement?*

(c) See item 5 above.

(i) No statistics are involved.

B. Collections of Information Employing Statistical Methods.

This information collection request does not employ statistical methods.