

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0067

**Wholesale Alcohol Dealer Recordkeeping Requirement Variance Requests
and Approvals (TTB REC 5170/6).**

Changes Since Last Approval

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

- Throughout this Supporting Statement, TTB is making minor editorial and grammatical changes for clarity.
- In Question 12, TTB is providing an estimate of respondent labor costs for this collection, and is stating the respondent recordkeeping burden.
- In Question 13, TTB is providing an estimate of respondent non-labor costs for this collection.
- In Question 14, TTB is providing a more detailed estimate of its costs for this information collection.

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.

As mandated by the IRC at 26 U.S.C. 5121, the TTB regulations in 27 CFR part 31 require wholesale alcohol dealers to keep daily records of their receipt and disposition of distilled spirits, as well as records of their receipt of wines and beer. Under that IRC authority, those TTB regulations also require such dealers to keep the required records at their business premises in memorandum or book form, or by maintaining file copies of usual and customary business records such as invoices.¹

¹ TTB's wholesale dealer recordkeeping requirements are found within 27 CFR part 31, subpart J (§§ 31.151-31.192), and, as an information collection, are approved under OMB Control No. 1513-0065.

As authorized by the IRC at 26 U.S.C. 5555, and specific to this information collection, the TTB regulations at 27 CFR 31.159 allow wholesale alcohol dealers to submit letterhead applications requesting approval of variations in the type and format of the required receipt and disposition records. Additionally, the regulations at 27 CFR 31.172 allow such dealers to request variations in the retention place for the required records. In all such applications, the dealer must describe the proposed variation and their need for it. TTB review of these applications is necessary to ensure that the requested variance will not jeopardize the revenue, be contrary to law, or unduly hinder TTB's administration of 27 CFR part 31.

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?

TTB personnel use wholesale alcohol dealer recordkeeping requirement variance applications to determine if the proposed variance would jeopardize the revenue, be contrary to law, or unduly hinder TTB's effective administration of 27 CFR part 31.

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 believe that this information collection, which consists of unique letterhead applications filed by wholesale alcohol dealers, is adaptable to the use of improved information technology. TTB notes, however, that respondents often submit such applications to request approval for the use of automated data processing or other information technologies to keep the alcohol receipt and disposition records required under 27 CFR part 31.

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?

Wholesale alcohol dealer recordkeeping variance applications contain information pertinent to each dealer and specific to their proposed alternative recordkeeping format, method, or retention place. As far as TTB can determine, similar information is not available elsewhere.

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

While all wholesale alcohol dealers, regardless of size, are required by regulation to submit recordkeeping requirement variance applications, each variance only requires a one-time application, and, as such, TTB believes that this information collection does not have a significant impact on a substantial number of small entities.

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?*

The wholesale alcohol dealer recordkeeping variance applications required under this collection provide such dealers flexibility to meet those requirements, while allowing TTB to determine if such variances pose a jeopardy the revenue, are contrary to law, or would hinder TTB's effective administration of 27 CFR part 31. As each variance only requires a one-time application, this information collection cannot be conducted 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 May 3, 2022, at 87 FR 26261. 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 with controlled access and in 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 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 annually file the applications required under this information collection, with each making one response, for a total of 10 responses. TTB further estimates that each response takes 30 minutes to complete, resulting in a total estimated annual burden of 5 hours for this information collection.

Estimated Respondent Labor Costs: TTB estimates respondent labor costs for this information collection as follows:

Annual Respondent Labor Costs for OMB No. 1513-0067 Alcohol Beverage Wholesale Dealer Compliance Officers Average Fully-Loaded Labor Rate = \$52.01/hour^{2*}					
Avg. Time per Response	Fully-loaded Labor Rate per Response	Responses per Respondent	Labor Costs per Respondent	Total Responses	Total Labor Costs
30 minutes (0.5 hour)	\$23.27	1 (one)	\$23.27	10	\$232.70

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

Respondent Record Retention: Wholesale alcohol dealers retain a file copy of any approved recordkeeping variance request for as long as they use that variance, and, under 27 CFR 31.191, all such records must be readily 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)?*

Respondents do not have any non-labor costs for this occasional, as-needed information collection, other than mailing supply and postage costs. As such, TTB estimates that each respondent has no more than \$2.00 in such costs for their one annual response, resulting in a total of \$20.00 in such costs for this collection's 10 annual responses.

² The fully-loaded labor rate is calculated for private section positions as hourly wage x 1.44 (to account for benefit costs). Per the most recent U.S. Dept. of Labor, Bureau of Labor Statistics, data for National Industry-Specific Occupational Wage Estimates for NAICS 4240A1, Merchant Wholesalers, Non-durable Goods, which includes NAICS 424800—Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers, the average fully-loaded labor rate for alcohol wholesale dealer Compliance Officers (13-1041) is \$52.01 (\$36.12 wage/hour + \$15.89 in benefit costs). See <https://www.bls.gov/iag/tgs/iag424.htm> and https://www.bls.gov/oes/current/naics4_4240A1.htm.

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

General costs: There are no printing, distribution, or other overhead costs to TTB for this information collection, which consists of respondent-generated letterhead applications. However, TTB replies to each submitted application via U.S. mail, with each response costing no more than \$2.00 in mailing supply and postage costs. As such, TTB estimates its non-labor costs for this collection to be \$20.00 for its 10 annual replies.

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. 1513-0067					
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	0.5 hour	\$16.64	10	\$166.40
GS-12, Step 5, Supervisor	\$73.12	1.5 hours	\$109.68		\$1,096.80
TOTALS	(\$63.16)	2 hours	\$126.32	10	\$1,263.20

* TTB 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 **\$1,283.20**.

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

There are no program changes or adjustments associated with this information collection.

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 form associated with this information collection, which consists of occasional, respondent-generated letterhead applications submitted to TTB. As such, there is no medium for TTB to display this collection's OMB approval expiration date.

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) \$73.12 for GS-12 (step 5). See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN_h.pdf.

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.