

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**

Changes Since Last Approval

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

- In Question 8, TTB is updating the Federal Register publication citation for the most recent 60-day notice soliciting comments on this information collection request.
- In Question 14, TTB is reorganizing its response and is clarifying that its general costs for this information collection are for mailing supplies and postage, and not “overhead” as previously reported.
- In Question 15, TTB is updating the response to reflect that this submission is for a regular, 3-year extension of the most-recent OMB approval, which was made on an emergency basis on January 26, 2022. As such, there are no program changes or adjustments to this information collection request at this time.
- Throughout this 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. 6161 authorizes the Secretary to grant taxpayers additional time to pay 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 or 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 installment payment requests (less than five per year), 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 standardized application form to request such agreements, 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 forms contained in this information collection request to apply for taxpayer relief. Taxpayers use TTB F 5600.38 to request an extension of time to pay their Federal alcohol, tobacco, firearms, or ammunition tax liabilities, or use TTB F 5600.31 to request an installment plan to pay such tax liabilities. Using the relevant application form, a taxpayer identifies themselves, the specific Federal excise tax and amount in question, and the reasons why the requested taxpayer relief is necessary. Once received, TTB evaluates the information respondent provide on the application form and any required supporting documentation. TTB then records its decision to approve or not approve the request relief on the application form and returns a copy to the applicant.

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?

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), both of which are approved under OMB No. 1513–0054. Public guidance regarding time extensions, installment agreements, and other taxpayer relief is available in TTB G 2022–1, Taxpayer Relief – Payment Options, posted on the TTB website at <https://www.ttb.gov/tax-audit/taxpayer-relief-payment-options>.

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 collected by taxpayer relief applications 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 applications are unique occurrences dependent upon a 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?

This collection request provides information to TTB regarding taxpayer requests for extensions of time or an installment plans to pay specific excise tax liabilities, and it includes standardized application form for each type of taxpayer relief. Without this collection, taxpayers would not be able to apply for such relief, and without the two standardized application forms, taxpayers would not be able to apply for relief in an efficient and timely manner. In addition, as respondents complete such application forms only as needed basis in response to financial hardship, 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 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 collection. 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>. Additionally, 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 its 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

NAICS 312000 - Beverage & Tobacco Product Manufacturing Accountants and Auditors Average – Fully-loaded Labor Rate/Hour = \$54.53*				
Information Collection	Time per Response	Labor Cost for One Annual Response ²	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 to this collection, TTB estimates that each of this collection’s 200 respondents has \$10.00 in annual mailing costs, and that there is a total of \$2,000.00 in such costs for this information collection request.

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

TTB estimates of the annual costs to the Federal Government for this information collection

² 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.

are as follows:

General costs: TTB estimates that it has \$1.00 in mailing supply and postage costs for each response to this information collect as TTB returns a copy of each taxpayer relief application form to the respondent noting TTB's approval or disapproval of the requested relief. Based on 200 annual responses to this collection, TTB estimates that it has \$200.00 in such costs per year. (TTB's printing and distribution costs for this collection have decreased to \$0.00 due to the availability of TTB forms to the public on the TTB website.)

Labor costs: 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 ³	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.

Total Costs: Given the above, TTB estimates that the total cost to the Federal Government for this information collection is no more than **\$118,700.00**.

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

There are no program changes or adjustments associated with this information collection request at this time, and TTB is submitting it for extension purposes only.

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.

³ 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.

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 of the two forms 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.