

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0086**

**Marks on Brewery Equipment and Structures (TTB REC 5130/3), and  
Marks and Labels on Containers of Beer (TTB REC 5130/4).**

**Changes Since Last Approval**

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

- Throughout the Supporting Statement, TTB is making editorial and grammatical changes for clarity.
- In Question 8, TTB is updating the 60-day notice publication information for this information collection.
- In Question 12, TTB is updating the number of annual respondents and responses to this information collection.
- In Question 15, TTB is explaining the adjustments to this information collection's number of annual respondents and responses.

**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.

In general, the IRC at 26 U.S.C. 5051 imposes Federal excise tax on beer produced or imported into the United States. Additional IRC sections govern other aspects of brewery operations and products, including: 26 U.S.C. 5053 (excise tax exemptions), 5056 (excise tax refund and credit), 5411 (brewery operations), 5412 (beer removals in containers or by pipeline), 5413 (procurements from other brewers), 5414 (removals to other breweries of the same ownership), and 5552 (meters, tanks, and other apparatus). Each of those sections also authorize the Secretary to prescribe regulations to carry out their requirements.

Under those IRC authorities, the TTB regulations in 27 CFR Part 25, Beer, require brewers to place certain marks, signs, and measuring devices on brewery equipment and structures in order to identify their use, capacity, and contents, and to identify taxpaid beer stored or returned to brewery premises. The regulations also require brewers to place certain brands, labels, and marks on bulk and consumer containers of beer and other brewery products identifying the brewer, the product's place of production, the container's net contents, and the product type (beer, ale, concentrate, etc.). Those third-party disclosures of information, hereafter collectively referred to as "marks and labels," apply to all breweries and pilot brewery plants, and to all containers of beer, beer concentrate, sour beer, cereal beverages, and brewer's yeast produced at such facilities.

The TTB regulations in 27 CFR part 25 that contain provisions concerning brewery marks and labels are found in:

- § 25.24, Storage of beer. (Authorizes TTB to require marks to identify taxpaid beer stored on brewery premises; contains cross-references to §§ 25.25 and 25.213.)
- § 25.25, Operation of a tavern on brewery premises. (Requires marks to segregate taxpaid beer in accordance with § 25.24, and requires marks on any tax-determination tanks located at breweries with taverns.)
- § 25.35, Tanks. (Requires serial numbers, capacity marks, and measuring devices on stationary tanks, vats, casks, or other such containers used at breweries.)
- § 25.141, Barrels and kegs. (Describes the brands, marks, and labels required on barrels and kegs.)
- § 25.142, Bottles. (Describes the brands, marks, and labels required on bottles of beer, which by definition includes cans and similar containers; see § 25.11.)
- § 25.143, Cases. (Describes the information required on opaque cases or other shipping containers of bottled beer.)
- § 25.145, Tanks, vehicles, and vessels. (Describes the information required on tanks, tank cars, tank trucks, tank ships, or deep tanks of vessels used to ship or transfer beer, and where that information may be placed on such bulk containers.)
- § 25.192, Removal of sour or damaged beer. (Describes the marks required on, and the requirements for, containers of damaged and sour beer.)
- § 25.196, Removals for research, development or testing. (Describes the information required on containers of beer removed for research, development, and brewery testing purposes.)
- § 25.213, Beer returned to brewery other than that from which removed. (Requires segregation and identification of such returned beer.)
- § 25.231, Finished beer. (Authorizes a brewer to obtain finished beer from another brewer in barrels and kegs marked with the purchasing brewer's name and location.)
- § 25.242, Markings. (Describes the required designations, marks, and labels on bottles, kegs, and barrels, and labels of cereal beverages.)
- § 25.251, Authorized removals. (Describes the designations and labels required on containers of brewer's yeast.)

- § 25.263, Production of concentrate and reconstitution of beer. (Describes the marks required on containers of beer concentrate and the label information required on barrels, kegs, and bottles of beer produced from concentrate.)

The marks and labels required under the regulations noted above allow TTB to identify the use, capacity, and contents of brewery equipment, structures, and containers, as well as taxable brewery products and the responsible taxpayer. As such, the placement of those marks and labels is necessary to protect the revenue and ensure effective administration of the IRC's provisions regarding breweries and brewery products. Those marks and labels also allow industry members and the public to identify the contents of bulk and consumer containers of beer and other brewery products. TTB has determined that the placement of the required marks and labels on brewery equipment, structures, and containers is a usual and customary business practice undertaken by brewers, regardless of any TTB regulatory requirements to do so, for cost accounting, equipment utilization, inventory control, and product identification purposes.

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?*

The marks and labels required under the TTB regulations in 27 CFR part 25 are necessary to protect the revenue and ensure effective administration of the IRC's provisions regarding brewery operations and products. During field inspections, TTB personnel may examine the required marks and labels to identify the use, capacity, and contents of brewery equipment and structures, as well as taxable brewery products and the responsible taxpayer. Such identifications allow TTB to ensure compliance with Federal laws and regulations regarding brewery operations and product identification, and to verify correct payment or determination of beer excise taxes. In addition, industry members and the public use the required brewery marks and labels to identify the contents of bulk and consumer containers of beer and other brewery products.

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?*

Brewers may use technologies of their choosing to meet the regulatory requirements to place the required brewery marks and labels on their structures, equipment, and brewery product containers.

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 required brewery marks and labels are pertinent and unique to each brewer, and do not duplicate other third-party disclosure information.

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

TTB has determined that the placement of marks and labels on brewery equipment, structures, and containers is a usual and customary business practice undertaken by brewers, regardless of size, for cost accounting, equipment utilization, inventory control, and product identification purposes. Per the OMB regulations at 5 CFR 1320.3(b)(2), collection requirements involving usual and customary business practices do not place any additional burden on 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?*

If TTB did not conduct this information collection, it could not ensure identification of brewery structures, equipment, and product containers, as well as taxable brewery products and the responsible taxpayer. This would jeopardize the revenue and TTB's ability to effectively administer the IRC provisions regarding breweries and brewery products. In addition, absence of the required brewery marks and labels on bulk and consumer containers of beer and other brewery products would prevent industry members and consumers from readily identifying their contents. Finally, placement by brewers of the required marks and labels on their structures, equipment, and product containers is done once or on an as-needed basis, and, as such, TTB cannot conduct this information 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 18, 2022, at 87 FR 69386. 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 does not provide a specific assurance of confidentiality for this usual and customary information collection. However, TTB notes that Federal law at 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated industry

members, and 26 U.S.C. 6103 prohibits disclosure of tax returns and related information unless disclosure is specifically authorized by the IRC.

*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. Also, this information collection 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 information collection.

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

Estimated Burden Hours: Based on recent data, TTB estimates that 14,000 brewers will respond to this information collection once annually, for a total of 14,000 annual responses. TTB has determined that the placement of the required brewery marks and labels is a usual and customary business practice undertaken by brewers regardless of any regulatory requirement to do so. As such, per the OMB regulations at 5 CFR 1320.3(b)(2), this information collection requirement imposes no burden hours on respondents.

Estimated Labor Costs: Because the placement of marks and labels on brewery equipment, structures, and containers is a usual and customary business practice undertaken by brewers regardless of any regulatory requirement, this information collection imposes no additional labor costs on respondents per the OMB regulations at 5 CFR 1320.3(b)(2).

Recordkeeping Requirement: Because the placement by brewers of identifying marks and labels on their equipment, structures, and containers is a usual and customary business practice, there is no regulatory recordkeeping requirement associated with this collection.

*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)?*

The placement of marks and labels on brewery structures, equipment, and containers is a usual and customary business practice undertaken by brewers regardless of any regulatory requirement to do so. As such, this collection imposes no additional costs on respondents per the OMB regulations at 5 CFR 1320.3(b)(2).

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

There are no costs to the Federal Government associated with this information collection as it consists of usual and customary identifying marks and labels placed by brewers on their structures, equipment, and product containers.

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

There are no program changes associated with this information collection at this time, and TTB is submitting it for extension purposes only. As for adjustments, due to changes in agency estimates resulting from continued growth in the number of breweries in the United States, TTB is reporting an increase in the number of annual respondents and responses to this information collection, from 10,000 to 14,000 each. However, because the placement of the required identifying marks and labels on brewery equipment, structures, and containers is a usual and customary business practice undertaken by brewers regardless of any regulatory requirement to do so, per the OMB regulations at 5 CFR 1320.3(b)(2), there is no corresponding increase in this information collection's estimated annual burden hours, which remain at zero.

*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?*

This information collection consists of usual and customary marks and labels placed by brewers on their equipment, structures, and product containers, which is done during the normal course of business at their premises. As such, there is no medium for TTB to display this information collection's OMB approval expiration date.

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

(c) See item 5 above.

(f) See item 11 above.

(g) This information collection consists of usual and customary marks and labels placed by brewers on their equipment, structures, and product containers. As such, there is no prescribed medium for TTB to inform respondents of the information called for under 5 CFR 1320.8(b)(3).

(i) No statistics are involved.

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

This information collection does not employ statistical methods.