

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

This Supporting Statement is revised in response to the pending publication of a proposed rule entitled, "Alcohol Facts Statements in the Labeling of Wines, Distilled Spirits, and Malt Beverages."

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.). In addition, TTB administers the Federal Alcohol Administration Act (FAA Act, 27 U.S.C. chapter 8), which at 27 U.S.C. 205(e) and (f) directs the Secretary of the Treasury (the Secretary) to issue regulations regarding the labeling and advertising of wine, distilled spirits, and malt beverages. TTB administers those statutes 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 has delegated certain IRC and FAA Act 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, while additional IRC sections govern other aspects of brewery operations and products, including: 26 U.S.C. 5053, 5056, 5411-5414, and 5552. 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 placement of the required marks and labels is necessary to protect the revenue as they 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. In addition, the required marks and labels allow industry members and the public to identify the contents of bulk and consumer containers of beer and other brewery products. TTB has determined the placement of the currently-required marks and labels 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.

The TTB regulations in 27 CFR part 25 that contain provisions concerning brewery marks and labels are found in §§ 25.24, 25.25, 25.35, 25.141, 25.142, 25.143, 25.145, 25.192, 25.196, 25.213, 25.231, 25.242, 25.251, and 25.263.

This information collection is aligned with —

- Line of Business/Sub-function: General Government/Taxation Management.
- IT Investment: None.

Proposed Rule—Alcohol Facts Statements in the Labeling of Wines, Distilled Spirits, and Malt Beverages

In a proposed rule titled “Alcohol Facts Statements in the Labeling of Wines, Distilled Spirits, and Malt Beverages,” issued under its IRC authorities, TTB is proposing to require an alcohol content statement to appear on the labels of consumer containers of domestic and imported beers that are not currently subject to such labeling requirements under the FAA Act.¹ The proposed regulations will require beer container labels to show the product's alcohol content expressed as a percentage of alcohol-by-volume, rounded to the nearest tenth of a percentage point. A tolerance of one percentage point will be permitted, either above or below the stated percentage of alcohol by volume; except that the labeled or actual alcohol content may not be less than 0.5 percent alcohol-by-volume, regardless of any tolerance.

Specifically, the alcohol content labeling requirement will be added to the TTB regulations at 27 CFR 25.141 and 25.142, which describe the brands, marks, and labels required on domestic beer barrels and kegs, and on domestic beer bottles, cans, and similar containers, respectively. A similar requirement for containers of imported beer will be added to 27 CFR 27.60. TTB has determined that mandatory alcohol content statements on labels for all beer subject to tax under the IRC will assist in protection of the revenue.

Currently, TTB considers the IRC-based labeling requirements for beer to require only the display of usual and customary label information, which, under OMB regulations at 5 CFR 1320.3(b)(2), imposes no additional burden on respondents under the Paperwork Reduction Act. TTB believes that responses to the expanded requirements to display alcohol content

¹ In the proposed rule, under its IRC authorities, TTB also is proposing to revise the information collection request approved under OMB No. 1513–0092 to require alcohol content statements on all domestic and imported consumer containers of wine. In addition, under its FAA authority, TTB is revising the information collection request currently approved under OMB No. 1513–0087 to add a new information collection to require an Alcohol Facts statement to appear on alcohol beverage labels for domestic and imported products subject to the labeling requirements of the FAA Act.

on labels of beer that were not previously subject to such a requirement will not require more than 1 hour annually per respondent. TTB also believes that the great majority of beer bottlers and importers either already label their products with an alcohol content statement or have ready access to such information for quality control purposes even if they do not display that information on their product labels. In addition, given the proposed compliance period of 5 years, TTB believes that all brewers and beer importers will be able to coordinate any required labeling changes with their usual and customary scheduled labeling changes, and, as such, there will be no additional costs to respondents for this new information collection requirement.

2. How, by whom, and for what purpose is this information used?

The marks and labels required at breweries and on beer containers under the TTB regulations 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, and to identify 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. If the proposed rule is finalized, such identification will include the alcohol content of consumer containers of domestic and imported beers.

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 most required 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), such usual and customary business practices do not place any additional burden on respondents. As for the alcohol content labeling requirement contained in the proposed rule, TTB believes that responses to that requirement for beers not previously subject to such a requirement will not require more than 1 hour annually per respondent.

TTB also believes that the great majority of beer bottlers and importers either already label their products with an alcohol content statement or have ready access to such information for quality control purposes even if they do not display that information on their product labels. In addition, given the proposed compliance period of 5 years, TTB believes that all respondents will be able to coordinate any required labeling changes with their usual and customary scheduled labeling changes, and, as such, there will be no additional costs to respondents for this new information collection requirement. As such, TTB believes that the revised information collection requirement will not have a significant impact on 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?

If TTB did not conduct this information collection request, 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 the product in the container, and, for beers in consumer containers, the product's alcohol content. 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 general public regarding the proposed amendments to the information collection requirements contained under this collection approval, TTB published in the Federal Register of January 17, 2025, at 90 FR 6654, a proposed rule titled "Alcohol Facts Statements in the Labeling of Wines, Distilled Spirits, and Malt Beverages, which will be open for comment for 90 days, until April 17, 2025.

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?

As a third-party disclosure that requires placement of certain marks and labels on brewery equipment and structures, and on bulk and consumer containers of beer, TTB does not provide a specific assurance of confidentiality for this information collection request.

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, and it does not collect personally identifiable information (PII) in an electronic system. Therefore, no Privacy and Civil Liberties Impact Assessment (PCLIA) 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 14,000 brewers and importers will respond to this information collection request once annually, for a total of 14,000 annual responses. TTB has determined that the placement of the required marks and labels, other than the proposed alcohol content statement on consumer beer containers, 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), the great majority of this information collection request imposes no burden hours on respondents.

As for the placement of the required alcohol content statement on consumer containers of beer, TTB estimates that the 14,000 respondents to this collection requirement will each make 1 annual response, for a total of 14,000 responses, and that each response will require 1 hour to complete, for an estimated total annual burden of 14,000 hours.

Estimated Labor Costs: Respondent labor costs associated with the placement of alcohol content statements on the labels of consumer beer containers are estimated as follows:

Respondent Labor Costs for OMB No. 1513-0086 NAICS 312100 — Beverage Manufacturing – Compliance Officers Fully-loaded Labor Rate/Hour² = \$52.17*					
Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent	Total Respondents	Total Labor Costs
1.0 hour	\$52.17	1	\$52.17	14,000	\$730,380.00

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

TTB has determined that because the placement of the other required marks and labels on brewery equipment, structures, and containers is a usual and customary business practice undertaken by brewers regardless of any regulatory requirement, the other requirements of this information collection request impose 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 largely a usual and customary business practice, there is no regulatory recordkeeping requirement associated with this information collection requirement.

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 largely a usual and customary business practice undertaken by brewers regardless of any regulatory requirement to do so, and, as such, the great majority of this collection's requirements do not impose any additional costs on respondents per the OMB regulations at 5 CFR 1320.3(b)(2). As for the proposed alcohol content statement for consumer containers of beer, TTB believes that the great majority of beer and wine bottlers and importers either already label their products with an alcohol content statement or have ready access to such information for quality control purposes even if they do not display that information on their product labels. Also, given the proposed compliance period of 5 years, TTB believes that all domestic brewers and beer importers will be able to coordinate any required labeling changes with their usual and customary scheduled labeling changes, resulting in no additional costs to those respondents.

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 is a third-party disclosure consisting of 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?*

² Private Sector Fully-loaded Labor Rate = Hourly wage x 1.44 to account for 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 312100—Beverage Manufacturing, the average fully-loaded labor rate per hour for Compliance Officers (13-1041) is \$52.17, based on a mean hourly wage of \$36.23. Fully-loaded labor rates for other occupations that may be involved in label design and approval, such as graphic designers, are generally lower. See the Bureau of Labor Statistics website at https://www.bls.gov/oes/current/naics4_312100.htm.

Program Changes Due to Proposed Rule

As noted above, in a proposed rule titled “Alcohol Facts Statements in the Labeling of Wines, Distilled Spirits, and Malt Beverages,” TTB is proposing to expand existing requirements for alcohol content statements as a percentage of alcohol by volume to beers that are not currently subject to mandatory alcohol content labeling under the FAA Act. In the proposed rule, that requirement will be added to 27 CFR 25.141 for domestic barrels and kegs, and to 27 CFR 25.142 for domestic bottles, cans, and similar containers. Those sections are already accounted for under this collection approval, OMB No. 1513–0086. In addition, the proposed alcohol content labeling requirement will be added to 27 CFR 27.60 for imported beers, and that section will be added to this collection approval (the FAA Act related requirements in § 27.60 will remain under OMB No. 1513–0087).

Under the proposed requirement, the container’s label must show the product’s alcohol content expressed as a percentage of alcohol-by-volume, rounded to the nearest tenth of a percentage point. A tolerance of one percentage point will be permitted, either above or below the stated percentage of alcohol by volume; except that neither the labeled nor actual alcohol content may be less than 0.5 percent alcohol by volume, regardless of any tolerance.

While TTB determined that the marks and labels previously required under this collection request were placed by brewers as a usual and customary business practice, resulting in no additional burden to respondents, TTB believes that responses to the proposal to require display alcohol content on labels of beer that were not previously subject to such a requirement will not require more than 1 hour annually per respondent. Thus, due to the described proposed program changes, while the number of annual respondents and responses to this information collection request, 14,000 each, will not change, the estimated annual total burden for this collection request will increase from 0 hours to 14,000 hours.

TTB also believes that the great majority of respondents already label their products with an alcohol content statement or have ready access to such information for quality control purposes even if they do not display that information on their product labels. Also, given the proposed compliance period of 5 years, TTB believes that all respondents will be able to coordinate any required labeling changes with their usual and customary scheduled labeling changes, resulting in no additional costs to those respondents.

Adjustments

There are no adjustments to this information collection request and its burden estimate at this time.

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 request consists of marks and labels placed by brewers on their equipment, structures, and product containers. 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 12 above.

(g) As this information collection request consists of marks and labels placed by brewers on their equipment, structures, and product containers, 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 request does not employ statistical methods.