**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement for Information Collection Request**

**OMB Control Number 1513–0052**

**Alcohol Fuel Plants (AFP) Reports, and Miscellaneous Letterhead Applications,**

**Notices, Marks, and Records.**

**Changes Since Last Approval**

In this Supporting Statement, TTB is updating the information provided in Questions 8, 12, 13, 14, and 15 to reflect, respectively, the latest 60-day notice publication information, respondent burden and labor costs, respondent non-labor costs, Federal Government costs, and adjustments associated with this information collection request.

1. **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, as amended, (IRC, 26 U.S.C.) 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 Department Order 120–01.

While distilled spirits produced or imported into the United States are normally subject to excise tax under the IRC at 26 U.S.C. 5001, the IRC at 26 U.S.C. 5214(a)(12) allows distilled spirits used for fuel purposes to be withdrawn free of that tax. In addition, the IRC at 26 U.S.C. 5181 and 5207 requires a proprietor of a distilled spirits plant (DSP) established as an alcohol fuel plant (AFP) to make applications, maintain records, and render reports as the Secretary prescribes by regulation.

Under those IRC authorities, TTB has issued AFP regulations in 27 CFR Part 19, Subpart X, Distilled Spirits for Fuel Use. Those regulations require AFP proprietors to make an annual operations report using form TTB F 5110.75, Alcohol Fuel Plant Report, and require those proprietors to provide certain applications and notices, place certain content and poison warning marks on alcohol fuel containers, and to keep certain records. In general, the required applications or notices concern alternate methods or procedures, emergency variations, permit changes and plant alternations, and materials used to make alcohol fuel unfit for beverage use. The required records relate to plant operations and production, transfers, removals, and certain other AFP activities.

The TTB regulation requiring AFP proprietors to file an annual operations report on TTB F 5110.75, Alcohol Fuel Plant Report, is found at 27 CFR 19.720. In addition, the other 27 CFR part 19, subpart X, regulations associated with the Alcohol Fuel Plants—Miscellaneous Letterhead Applications and Notices, Marks, and Records (TTB REC 5110/10) information collection are:

19.665 19.666 19.667 19.683 19.685 19.687

19.688 19.691 19.692 19.693 19.695 19.709

19.710 19.714 19.715 19.716 19.717 19.718

19.719 19.724 19.727 19.729 19.733 17.734

19.735 19.736 19.739 19.747 19.749 19.752.

The collected information is necessary to ensure that the excise tax provisions of the IRC are appropriately applied, and also to prevent and detect diversion of alcohol fuel to taxable beverage use.

This information collection is aligned with the following Line of Business/Sub-function: *General Government/Taxation Management*.

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

Given that alcohol produced at an AFP is potable (unless it is denatured as required by the IRC) and may be withdrawn tax-free, TTB uses the information collected under this request to ensure that the tax provisions of the IRC are appropriately applied, and to prevent and detect diversion of alcohol fuel to taxable beverage use. Specifically, the collected information allows TTB to:

1. Identify the person(s) responsible for AFP operations and any potential excise tax liability by keeping AFP permit information up-to-date, including a plant’s location, ownership and control, and operating status;
2. Account for the distilled spirits produced, received, used on premises, destroyed, lost, transferred, redistilled, and withdrawn to determine the amount, kind, and taxable status of the spirits removed from an AFP; and
3. Determine whether requests for alternate methods and procedures, emergency variations from regulatory requirements, or alternate materials for making AFP-produced distilled spirits unfit for beverage use will protect the revenue, not hinder administration of the TTB regulations, and not be contrary to the law.

*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, respondents may electronically complete and submit TTB F 5110.75 via the Federal government’s Pay.gov system; see *https://www.ttb.gov/epayment*. Respondents may also download a fillable-printable version of TTB F 5110.75 at no cost from the TTB website at *https://www.ttb.gov/public-information/forms*. In addition, respondents may generate the required letterhead applications and notices and keep and maintain the required records using electronic systems of their choosing.

*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 pertinent and specific to each AFP respondent and their alcohol fuel operations. 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?*

TTB requires all entities, regardless of size, to submit or keep the required information to ensure that the tax provisions of the IRC are appropriately applied, and to prevent and detect diversion of alcohol fuel to taxable beverage use. As such, TTB cannot waive this information collection request’s requirements simply because a respondent’s business is small. However, TTB believes that the required information is the minimum necessary, and TTB notes that respondents compile the required annual report from usual and customary business records. As a result, TTB believes that this collection request does not have a substantial impact on a significant 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?*

As noted above, the IRC allows AFP proprietors to withdraw alcohol fuel from their premise free of tax, and, unless denatured as required, such alcohol is potable and easily diverted to taxable beverage use. If TTB did not collect the required information, or collected it less frequently, it would not be able to protect the revenue by ensuring that the IRC provisions related to AFPs are appropriately applied and by detecting and preventing diversion of untaxed alcohol fuel to taxable beverage use.

*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 request 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 November 29, 2024, at 89 FR 94871. TTB received no comments on this collection request 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 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 that section specifically authorizes such action. TTB maintains the reports, applications, and notices submitted to it under this collection request in secure file rooms and computer systems with controlled access, while respondents maintain the required AFP records at their premises.

*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 and Civil Liberties Impact Assessment (PCLIA) or System of Records Notice (SORN) is required for this collection request.

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

Estimated Respondent Burden: Based on recent data, TTB estimates the respondent burden associated with this collection request as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Information Collection | No. of Respondents | Responses / Respondent | Annual Responses | Hours Per Response | Total Burden |
| AFP Reports  (TTB F 5110.75) | 300 | 1 | 300 | 1 hour | 300 hours |
| Misc. Applications, Notices, Marks, & Records  (TTB REC 5110/10)\* | 1 | 300 | 1 hour | 300 hours |
| **TOTALS** | **300** | **2** | **600** | **1 hour** | **600 hours** |

\* TTB estimates that the 300 respondents will submit one miscellaneous letterhead application or notice annually at a burden of 1 hour per response. However, TTB notes the keeping of the inventory, production, removal, and other records, and the placement of the required content and poison warning marks on alcohol fuel containers, are usual and customary practices undertaken by AFP proprietors during the normal course of business. Under the OMB regulations at 5 CFR 1320(b)(2), such usual and customary practices, undertaken by respondents regardless of any regulatory requirement to do so, do not impose any burden on respondents as defined by the Paperwork Reduction Act.

Estimated Respondent Labor Costs: TTB estimates the annual per-respondent and total respondent labor costs for this information collection request as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **NAICS 3250A1 – Chemical Manufacturing (3251, 3252, 3253, and 3259 Only);**  **NAICS 325100 – Basic Chemical Manufacturing,**  **Office & Administrative Support Occupations – Fully-loaded Labor Rate = $40.55[[1]](#footnote-2)** | | | | | | |
| Information Collection | Time / Response | Labor Cost / Response | Responses / Respondent | Labor Costs / Respondent | Total Respondents | Total Labor Costs |
| AFP Reports  (TTB F 5110.75) | 1 hour | $40.55\* | 1 | $40.55 | 300 | $12,165.00 |
| Misc. Applications, Etc.  (TTB REC 5110/10) | 1 hour | $40.55\* | 1 | $40.55 | $12,165.00 |
| **TOTALS** | **1 hour** | **$40.55** | **2** | **$81.10** | **300** | **$24,330.00** |

\* Labor costs rounded to the nearest whole cent.

Respondent Record Retention: Under 27 CFR 19.81, DSP proprietors, including AFP proprietors, must maintain copies of any applications or notices related to their permit in their permanent plant registration file for as long as the application or notice is in effect. Under 27 CFR 19.716, proprietors must maintain the AFP records required under this information collection request for a period of not less than three years from the date of the record’s creation or the date of the last entry required in the record, whichever is later. Under those sections, AFP proprietors also must make all such documents available for inspection by the appropriate TTB officers.

*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 believes that there are no start-up, capital, or ongoing costs to respondents for this collection request. AFP proprietors gather the information submitted on their annual operations report from usual and customary production, receipt, shipping, and inventory records kept during the normal course of business.

TTB estimates that the 300 respondents to this collection have $2.00 in postage and mailing supply costs for the one annual report and one letterhead application or notice sent to TTB, totaling $4.00 per year for each respondent and $1,200.00 in total.

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

TTB estimates its annual labor costs for this information collection request as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Labor Costs for Personnel at TTB’s National Revenue Center in Cincinnati, Ohio,**  **for OMB No. 1513–0052\*** | | | | | |
| Position | Fully-loaded Labor Rate/Hour[[2]](#footnote-3) | Processing Time per Response | Labor Costs per Response | Total Responses | Total TTB Labor Costs |
| GS–5, Step 5,  Clerk | $37.18 | 3 minutes | $1.86 | 600 | $1,116.00 |
| GS–11, Step 5, Supervisor | $68.17 | 15 minutes | $17.04 | $10,224.00 |
| TOTALS | ($63.00) | 18 minutes | $18.90 | 600 | $11,340.00 |

\* Labor costs rounded to the nearest whole cent, unless otherwise shown.

In addition, TTB estimates that it has $1.00 in overhead costs for each response to this collection request, resulting in $600.00 such costs. However, TTB’s printing and distribution costs have decreased to $0.00 in due to the availability of its forms to the public on the TTB website’s forms page at *https://www.ttb.gov/forms*. Therefore, the total labor and overhead costs to the Federal Government for this information collection request are **$11,940.00**.

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

There are no program changes associated with the two information collections included under this collection request, and TTB is submitting it for extension purposes only. As for adjustments, due to changes in agency estimates, TTB is decreasing this information collection request’s overall annual estimated burden, from 2,100 to 300 respondents, from 2,150 to 600 responses, and from 2,150 to 1,200 burden hours. Those decreases result from a decrease in the number of alcohol fuel plants and the resulting decrease in the number of annual respondents and responses to the Alcohol Fuel Plant Reports information collection included under this request.

For the Miscellaneous Applications, Notices, Marks, & Records (TTB REC 5110/10) information collection included under this collection request, TTB is increasing its annual burden estimate, from 50 to 300 respondents, from 50 to 300 responses, and from 50 to 300 hours. Those increases result from changes in agency estimates as TTB now finds that the estimated 300 alcohol fuel plant proprietors will annually submit, on average, one miscellaneous letterhead application or notice to TTB at a burden of 1 hour per response. However, TTB notes the keeping of the inventory, production, removal, and other records and the placement of the required content and poison warning marks on alcohol fuel containers required under this information collection are usual and customary business practices undertaken by respondents regardless of any regulatory requirement to do so. As such, under the OMB regulations at 5 CFR 1320(b)(2), such usual and customary practices, do not impose any burden on respondents as defined by the Paperwork Reduction Act.

*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.

*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 of this information collection on its related form, TTB F 5110.75, Alcohol Fuel Plant Report. However, there is no TTB-generated medium to display that date for the Miscellaneous Letterhead Applications, Notices, Marks, and Records portion of this information collection request.

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

(c) See item 5 above.

(i) No statistics are involved.

(j) See item 3 above.

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

This information collection request does not employ statistical methods.

1. Private Sector Fully-loaded Labor Rate per Hour = Hourly wage x a factor of 1.44 to account for benefit costs. Per the most recent U.S. Department of Labor, Bureau of Labor Statistics, wage data for NAICS 3250A1 – Chemical Manufacturing, which includes NAICS 325100 – Basic Chemical Manufacturing, the estimated fully-loaded labor rate for Office and Administrative Support Occupations (43–0000) is $40.55/hour, based on a mean wage of $28.16/hour. See the Bureau of Labor Statistics website at *https://www.bls.gov/oes/current/naics4\_3250A1.htm*. [↑](#footnote-ref-2)
2. Federal Government Fully-loaded Labor Rate = Hourly wage x 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) hourly wage data, the fully-loaded Federal labor rates for the Cincinnati, Ohio, wage area are: (1) GS–5, step 5, employee = $37.18 (based on a $22.81/hour wage); and (2) GS–11, step 5 = $68.17/hour (based on a $41.82/hour wage). See the OPM website at *https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2025/CIN\_h.pdf*. [↑](#footnote-ref-3)