

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0040

Application for Operating Permit Under 26 U.S.C. 5171(d)

Changes Since Last Approval

In this Supporting Statement, TTB is making clarifications regarding its statutory authority and Internal Revenue Code requirements in the response to Question 1. TTB also is updating the information provided in Questions 8, 12, 13, 14, and 15 to reflect, respectively, the latest 60-day notice publication information, current respondent burden and labor costs, respondent non-labor costs, Federal Government costs, and the adjustments associated with this information collection request.

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, wines, 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), as well as the Federal Alcohol Administration Act (FAA Act, 27 U.S.C. chapter 8). TTB administers those laws 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 and FAA Act administrative and enforcement authorities to TTB through Treasury Order 120–01.

As required by the IRC at 26 U.S.C. 5171 and 5172, persons who intend to distill, warehouse, or bottle or package distilled spirits for industrial use, who intend to denature spirits, who intend to manufacture articles using distilled spirits, or who intend warehouse bulk spirits for non-industrial use without bottling are required to obtain an operating permit before beginning such activities, under such regulations as the Secretary prescribes. As authorized by those IRC provisions, the TTB regulations in 27 CFR Part 19, Distilled Spirits Plants, require such persons to apply for an operating permit using form TTB F 5110.25, Application for Operating Permit Under 26 U.S.C. 5171(d). The form and its supporting documents identify the applicant and their business, its organization, and the persons with a significant interest in the business, as well as the location of the distilled spirits plant (DSP) and its proposed operations.¹ In addition, proprietors must apply for a new or amended

¹ TTB issues "basic permits" for distilled spirits beverage operations under the Federal Alcohol Administration Act (27 U.S.C. 201 *et seq.*), and it collects information regarding such applicants using other collection instruments approved under OMB Control No. 1513–0018, Application for Basic Permit under the Federal Alcohol Administration Act.

operating permit using that form when certain changes occur to the DSP, including changes in its location, control, ownership, or operations.²

This collection information allows TTB to determine if an operating permit applicant is qualified under chapter 51 of the IRC to engage in certain distilled spirits-related production, processing, or warehousing activities. This determination ensures that such applicants are likely to operate in conformity with Federal laws and regulations, and it assists in limiting the illicit manufacture and sale of non-taxpaid distilled spirits or the diversion of industrial distilled spirits to taxable beverage use.

The following 27 CFR part 19 regulations list the requirements to obtain an operating permit, prescribe the filing of the permit application and its supporting documents, and require amending or posting of the permit:

19.91	19.92	19.93	19.94	19.95
19.97	19.126	19.128	19.129	19.130
19.131	19.132	19.133	19.134	19.135.

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?

The information provided on a new or amended operating permit application enables TTB to identify the applicant's name and business address, and the DSP's location, proposed operations, control, and ownership. TTB uses the collected information to determine if an operating permit applicant is qualified under chapter 51 of the IRC to engage in the specified distilled spirits-related production, processing, or warehousing activities. This determination allows TTB to protect the revenue as it helps ensure that such applicants will operate in conformity with Federal laws and regulations, and it assists in limiting the illicit manufacture and sale of non-taxpaid distilled spirits or the diversion of industrial distilled spirits to taxable beverage use.

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?

Respondents may complete, sign, and submit applications for new or amended DSP operating permits using TTB's electronic, web-based "Permits Online" (PONL) system; see the TTB website at <https://www.ttb.gov/ponl/customer-support>. The PONL system also allows respondents to edit such applications and track their approval. In addition, the paper application form, TTB F 5110.25, Application for Operating Permit Under 26 U.S.C. 5171(d), is available as a fillable-printable form on the TTB website at <https://www.ttb.gov/public-information/forms>.

² Under the 27 CFR part 19 regulations, DSP operators may report certain other changes by filing a letterhead notice, including changes to the proprietor's name or trade name, or changes in major stockholders, directors, officers, or managers that do not result in a change in control. TTB collects such letterhead notices under OMB No. 1513-0061.

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 operating permit application required for industrial DSP proprietors collects information that is specific to each respondent and applicable to their qualifications under the IRC to engage in certain industrial distilled spirits operations or to engage in the warehousing of non-industrial spirits without bottling. Similar information is not available to TTB elsewhere.

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

The IRC at 26 U.S.C. 5171(d) requires all entities, regardless of size, to obtain an operating permit to engage in certain industrial distilled spirits activities, or in the warehousing of non-industrial spirits without bottling, before beginning operations. TTB requires the collected information in order to determine if the applicant is qualified under the IRC to receive such a permit, and, as such, TTB cannot waive this statutory requirement because the respondent's business is small.

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 collect this information, it would be unable to determine if an applicant is legally eligible to receive an operating permit under section 5171 of the IRC. TTB notes that respondents complete this information collection when first entering business as an industrial DSP and then only as necessary to update certain permit information such as a change in name, trade name, business address or plant location, or ownership or control. As such, 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 in the Federal Register on November 29, 2025, at 89 FR 94871. 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 information collection on TTB F 5110.25 or on its PONL equivalent. 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 disclosure. TTB maintains DSP operating permit applications in secure computer systems and in file rooms 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 contains no questions of a sensitive nature. However, this DSP-related permit application collects personally identifiable information (PII) in a government electronic system, Permits Online (PONL). As such, TTB has conducted a Privacy and Civil Liberties Impact Assessment (PCLIA) for PONL. In addition, the collected information is included within TTB's record system, titled "Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB) .001—Regulatory Enforcement System of Records" for which TTB published a System of Records Notice (SORN) on October 11, 2022, at 87 FR 61435. Links to TTB's PCLIA's and SORN may be found on the TTB website at <https://www.ttb.gov/public-information/foia>.

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

Estimated Respondent Burden: Based on recent data, TTB estimates the annual burden associated with this information collection request as follows: 150 respondents, each making 1 response at 1 hour per response, resulting in 150 total responses and 150 total burden hours. Of the 150 responses, TTB estimates that 147 respondents (98 percent) file their permit application electronically via the Permits Online (PONL) system.

Estimated Respondent Labor Costs: TTB estimates the annual per-respondent and total respondent labor costs for this information collection request as follows, based on the fully-loaded wage for Compliance Officers in the Chemical Manufacturing industry:

Fully-Loaded Labor Rate per Hour ³	Avg. Time per Response	Responses / Respondent	Labor Cost per Response & Respondent	Total Respondents	Total Respondent Labor Costs
\$61.63	1.0 hour	1	\$61.63	150	\$9,244.50

* All labor costs rounded to the nearest whole cent.

³ The Fully-loaded Labor Rate per Hour = Hourly wage plus benefit costs, which, for the private sector, is calculated as hourly wage multiplied by a factor of 1.44. Per the most recent U.S. Department of Labor, Bureau of Labor Statistics (BLS), data for National Industry-Specific Occupational Employment and Wage Estimates, the mean fully-loaded labor rate for Compliance Officers (13-1041) in the Chemical Manufacturing industry (NAICS 325000) is \$61.63, based on mean hourly wage of \$42.80. See https://www.bls.gov/oes/current/naics3_325000.htm.

Respondent Record Retention: Under 27 CFR 19.95, proprietors must post their operating permit at the DSP and have it available for inspection by the appropriate TTB officer. The TTB regulations otherwise do not require proprietors to retain a record copy of their DSP operating permit application as TTB retains such applications submitted electronically or on paper in its PONL system.

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 information collection. Respondents apply for a new or amended DSP operating permit only on an as-needed basis, such as when beginning business or when changes in location, ownership, or control of the DSP occur. In addition, the information required under this collection is readily available to respondents.

As for annual postage and mailing supply costs, TTB estimates that the estimated three respondents who submit a paper application have no more than \$12.00 in such costs for one annual response, resulting in a total of \$36.00 in such costs per year for this collection.

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

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

Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio, for OMB No. 1513-0040*					
Position	Fully-loaded Labor Rate/Hour ⁴	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$37.18	0.25 hour	\$9.30	150	\$1,395.00
GS-11, Step 5, Specialist	\$68.17	0.75 hour	\$51.13		\$7,669.50
Totals	(\$60.43)	1.0 hour	\$60.43	150	\$9,064.50

* All labor costs rounded to the nearest whole cent.

Other Costs: TTB estimates that it has \$2.00 in overhead costs for each new or amended DSP operating permit application submitted, for a total of \$300.00 in such costs for the estimated 150 annual responses. However, TTB's printing and distribution costs have decreased to \$0.00 in due to the use of the PONL system and the public availability of TTB's forms on its website forms page at <https://www.ttb.gov/public-information/forms>.

Total Costs: Given the above cost estimates, TTB estimates the total cost to the Federal

⁴ 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) Federal hourly wage data, the fully-loaded labor rates for the Cincinnati, Ohio, wage area are: (1) GS-6, step 5, employee = \$36.17 (\$22.19 in wages plus \$13.98 in benefit costs); and (2) GS-11, step 5 = \$59.50/hour (\$36.50 in wages plus \$23.00 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.

Government to be **\$9,364.50**.

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

There is no program change 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, TTB is increasing the number of annual respondents, responses, and burden hours associated with this collection, from 100 each to 150 each. These increases are due to an increase in the number of DSP operating permit applications that TTB receives under this collection request.

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.⁵

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 5100.25, Application for Operating Permit Under 26 U.S.C. 5171(d).

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.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.

⁵ While TTB publishes lists of alcohol industry members who hold permits issued under the Federal Alcohol Administration Act (see <https://www.ttb.gov/foia/list-of-permittees>), the Internal Revenue Code at 26 U.S.C. 6103 protects taxpayer records from public disclosure, and, as such, TTB does not publish lists of DSP operating permit holders as those permits are issued under the IRC and are considered taxpayer information.