

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0030

Claims—Alcohol, Tobacco, and Firearms Taxes.

Changes Since Last Approval

In this Supporting Statement, TTB is revising its response to Questions 1 and 2 for conciseness. 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, respondent burden and labor costs, respondent non-labor costs, costs to the Federal Government, and 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), as amended (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). The Secretary of the Treasury (Secretary) also has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Order 120–01.

The IRC at 26 U.S.C. 5008, 5044, 5056, 5064, 5370, 5705, and 5708 authorizes claims for relief of excise taxes on distilled spirits, wine, beer, tobacco products, and cigarette papers and tubes that were condemned, destroyed, lost or made unmarketable due to disaster, theft or vandalism, or that were voluntarily destroyed, returned to bond or withdrawn from the market. The IRC at 26 U.S.C. 5055, 5062, and 5706 also provides for drawback (refund) of taxes paid on such products subsequently exported outside of the United States. Additionally, the IRC at 26 U.S.C. 5111–5114, authorizes drawback of a portion of taxes paid on distilled spirits used in the manufacture of certain nonbeverage products, while 26 U.S.C. 5373(b)(3) allows credit for excise taxes on wine spirits removed from a distilled spirits plant and used in the production of wine. Additionally, under the IRC at 26 U.S.C. 6402–6404, taxpayers may file relief claims for erroneous, excessive, or overpaid excise or special occupational taxes, while 26 U.S.C. 6416 allows for credit or refund of overpaid firearms and ammunition taxes and 26 U.S.C. 6423 sets conditions on claims for erroneously collected alcohol and tobacco excise taxes. Under those various IRC sections, claimants generally must submit their claims within 6 months of the relevant action in the form and manner that the Secretary prescribes by regulation.

Under its IRC and delegated authorities, TTB has issued regulations regarding claims for relief for the taxes it collects, which generally require respondents to file their claims using form TTB F 5620.8, Claim—Alcohol, Tobacco, and Firearms Taxes. The form, and any required supporting documentation, identifies the claimant, the regulatory section the claim is made under, the type of claim and its basis, the kind and amount of tax claimed, and, if relevant, account information for the deposit of refunded tax.¹ The following TTB regulations in 27 CFR chapter I require the use of TTB F 5620.8 or govern the submission of a claim made on that form:²

- §§ 17.141 and 17.142 (drawback for nonbeverage alcohol products);
- §§ 19.262–19.266, 19.269, 19.452, 19.462, and 19.464 (distilled spirits);
- §§ 20.202–20.205 (denatured alcohol and rum);
- § 24.29 and §§ 24.65–24.70 (wine);
- §§ 25.224, 25.225, 25.281–25.283, 25.285, and 25.286 (beer);
- §§ 26.173, and 26.309 (liquors from Puerto Rico and the Virgin Islands);
- §§ 28.303, 28.310, 28.315, and 28.317 (alcohol for export);
- §§ 31.221 (alcohol beverage dealers);
- §§ 40.281–40.301, 40.313, and 40.471–40.474 (domestically produced tobacco products and cigarette papers and tubes);
- §§ 41.161–41.163, and 41.165 (imported tobacco products and cigarette papers and tubes);
- §§ 44.152–44.154 (exported tobacco products and cigarette papers and tubes);
- §§ 46.5–46.9, 46.74–46.77, and 46.251–46.254 (miscellaneous regulations for tobacco products and cigarette papers and tubes);
- §§ 53.171–51.184 (firearms and ammunition excise taxes); and
- §§ 70.121–70.125 (general administrative regulations), §§ 70.413 and 70.414 (claims regarding alcohol excise taxes), § 70.435 (claims regarding tobacco excise taxes), § 70.448 (claims regarding firearms and ammunition excise taxes), §§ 70.501–70.508 (sets forth conditions under 26 U.S.C. 6423 for claims regarding erroneously collected alcohol and tobacco excise taxes), and §§ 70.601–70.608 (sets forth conditions and procedures for claims based on losses due to theft, vandalism, or malicious mischief).

This information collection is necessary to protect the revenue as it allows TTB to ensure that it approves claims for tax relief only to legally eligible claimants.

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?

¹ Depending on circumstances, the relief may include abatement, credit, drawback, refund, or remission of the excise taxes paid or determined.

² Claims made by alcohol beverage importers for excise tax refund benefits under the Craft Beverage Modernization Act (CBMA) are approved under OMB No. 1513–0142 and are not included in this information collection approval or its related regulations.

TTB uses the information collected under this request to protect the revenue. The collected information allows TTB to evaluate and verify claims for the abatement, allowance, credit, drawback, refund, or remission of the excise or special occupational taxes it collects so that such tax relief is provided only to legally eligible claimants.

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 electronically download the claim form, TTB F 5620.8, complete the form, and then submit it to TTB via the Online Claims Submission portal on the TTB website; see <https://my.ttb.gov/nrc-claims-submission/claim-form>. TTB F 5620.8 also is available as fillable-printable form on the TTB website's forms page at <https://www.ttb.gov/public-information/forms>, which the respondent may then submit by postal mail or delivery service.

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?

TTB F 5620.8 contains information that is pertinent and unique to each respondent and their claim for relief of certain Federal alcohol or tobacco excise taxes or special occupational taxes collected by TTB. As far as TTB can determine, similar information is not available to the Bureau elsewhere.

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

The relevant IRC sections require all entities, regardless of size, to file a tax relief claim in accordance with regulations issued by the Secretary. TTB requires the collected information to validate a claim for tax relief, and it minimizes respondent burden by limiting the collected information to that necessary to protect the revenue. TTB cannot waive the IRC's statutory requirements concerning such claims because a respondent entity's 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 the required information, the Bureau could not validate claims for tax relief and it could refund tax money or give other tax relief to ineligible claimants, which would jeopardize the revenue. In addition, respondents file claims only on occasion at their discretion and, 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, 2024, 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 collection. 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 disclosure. TTB maintains the collected information in secure computer systems and file rooms and 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 information request does collect personally identifiable information (PII) in a government electronic systems, the Integrated Revenue Information System (IRIS) and the MNBPC Claims Verification Application (for manufacturer of nonbeverage products claims). TTB has conducted Privacy and Civil Liberties Impact Assessments (PCLIA) for those systems. 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 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 Burden Hours: Based on recent data, TTB estimates the annual respondent burden hours for this information collection to be as follows:

Information Collection (TTB F 5620.8)	Annual Respondents (One response each per year)	Total Annual Responses	Per Response Burden	Total Burden
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Private Sector (for profit)	4,000	4,000	1.0 hour	4,000 hours
Individuals or households	500	500	1.0 hour	500 hours
Private Sector (not-for-profit)	500	500	1.0 hour	500 hours
TOTALS	5,000	5,000	1.0 hour	5,000 hours

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$62.99 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:³

Annual Respondent Labor Costs for OMB No. 1513-0030 (Accountants and Auditors in the Beverage and Tobacco Manufacturing Industries)					
Avg. Time / Response	Fully-loaded Labor Rate / Response*	Responses / Respondent	Labor Costs / Respondent	Total Respondents	Total Labor Costs
1.0 hour	\$62.99	1	\$62.99	5,000	\$314,950.00

* Fully-loaded labor rate rounded to the nearest whole cent.

Recordkeeping: In general, the TTB regulations require claimants to retain record copies of all submitted claim forms and supporting documentation for at least three years after they file the claim, and they must make such records available to TTB officers for inspection upon request. OMB has approved the relevant recordkeeping requirements under OMB Control No. 1513-0088, Alcohol, Tobacco, and Firearms Related Documents for Tax Returns and Claims, TTB REC 5000/24.

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)?*

Respondents compile the information collected under this request from usual and customary records kept during the normal course of business, such as production, inventory, loss, shipping, and transfer records, as well as tax and related records kept under other approved information collection requests. As such, TTB believes there are no annualized capital, startup, operational, or maintenance associated with this information collection, which

³ Private Sector Fully-loaded Labor Rate per Hour = Hourly wage rate multiplied by a factor of 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 estimated fully-loaded labor rate per hour for Accountants and Auditors (13-2011) is \$62.99, based on a mean hourly wage of \$43.74. See https://www.bls.gov/oes/current/naics3_312000.htm. Fully-loaded wage rates in that industry for compliance officers and for office and administrative support employees (such as bookkeepers) are less than those for accountants and auditors. In the firearms and ammunition industries, the fully-loaded labor rates for accountants and auditors, compliance officers, and administrative support employees are also less than that cited in this table. See NAICS 3120A1, Fabricated Metal Product Manufacturing Industry, at https://www.bls.gov/OES/Current/naics4_3320A1.htm. Therefore, the estimated respondent labor costs cited in this table are a maximum.

respondents file only on occasion at their discretion. Additionally, TTB estimates that 90 percent of respondents electronically file claims via the Online Claims Submission portal on its website (see <https://my.ttb.gov/nrc-claims-submission/claim-form>). As such, an estimated 4,500 of the 5,000 respondents to this collection incur no or very negligible non-labor costs for the completion and submission of TTB F 5620.8 and its supporting documents to TTB. As for the estimated 10 percent of respondents (500 of 5,000) who submit TTB F 5620.8 and its supporting documents by postal mail, TTB estimates that such claimants have no more than \$4.00 per response in supply and postage costs, for a total of \$2,000.00 of such costs for this information collection.

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

TTB estimates of the annual cost to the Federal Government for this information collection are as follows:

General costs: There are no printing and distribution costs to TTB's due to the availability of TTB forms to the public through the TTB website (see <https://www.ttb.gov/forms>). TTB estimates overhead costs of \$1.00 per response for this information collection, which total \$5,000.00 for the 5,000 annual responses to this collection.

Labor costs: TTB estimates the annualized labor costs to the Federal Government for this information collection request as follows:

Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio, for OMB No. 1513-0030					
Position	Fully-loaded Labor Rate per Hour ⁴	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$37.18	6 minutes	\$3.72	5,000	\$18,600.00
GS-11, Step 5, Specialist	\$68.17	18 minutes	\$20.45		\$102,250.00
GS-13, Step 5, Supervisor	\$97.16	6 minutes	\$9.72		\$48,600.00
TOTALS	(\$67.78)	30 minutes	\$33.89	5,000	\$169,450.00

* Fully-loaded and other labor costs rounded to the nearest whole cent.

Total Costs: Given its general and labor costs, TTB estimates the total cost to the Federal government for this information collection to be **\$174,450.00**.

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

⁴ Federal Government Fully-loaded Labor Rate = Hourly wage rate multiplied by 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) hourly wage data, the fully-loaded labor rates for Federal employees in the Cincinnati, Ohio, wage area are: (1) \$33.27 for GS-5 (step 5), and (2) \$120.85 for a GS-15 (step 5). See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN_h.pdf.

Program Changes and Adjustments: There are no program changes associated with this collection at this time, and TTB is submitting for extension purposes only. As for adjustments, due to changes in agency estimates, TTB is decreasing the estimated number of annual respondents, responses, and burden hours for this information collection request, from 5,600 to 5,000 each. The estimated time per response remains the same as previously reported, one hour.

16. *Outline plans for tabulation and publication for collections of information whose results will be published.*

Using the collected data, TTB publishes in its Annual Reports the total amount of taxes that it returns to claimants via drawbacks and refunds. In those reports, TTB generalizes all such reported data and does not identify specific taxpayers. TTB Annual Reports are posted to the TTB website at <https://www.ttb.gov/about-ttb/plans-and-reports-annual-reports>.

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 5620.8.

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.