

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0013**

**Change in Bond (Consent of Surety)**

**Changes Since Last Approval**

In this Supporting Statement, TTB is updating the information provided in Questions 8, 12, and 14 to reflect, respectively, the latest 60-day notice publication information, respondent labor costs, and costs to the Federal Government 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). 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.

To ensure that revenue generated by the Federal excise taxes imposed on alcohol and tobacco products under chapters 51 and 52 of the IRC is not jeopardized, the IRC at 26 U.S.C. 5114(b), 5173, 5272, 5354, 5401(b), and 5711 requires certain alcohol and tobacco industry proprietors to post a bond under such regulations as the Secretary may prescribe. Under those IRC authorities, the TTB regulations require the relevant alcohol and tobacco proprietors to file collateral or surety bonds, which, as information collections, are approved under various OMB control numbers.<sup>1</sup> If a proprietor should default on payment of any alcohol or tobacco excise taxes, those bond requirements ensure payment of any taxes due.

In addition, for surety bonds, if an alcohol or tobacco industry member's activities or circumstances change from those covered by an existing bond, the TTB regulations allow for the filing of a consent of surety to such changes (also referred to as an extension of coverage), in lieu of a new bond. Under the TTB regulations, a description of the changes to a proprietor's bond and the consent of the surety to those changes is filed with TTB using form TTB F 5000.18, Change in Bond (Consent of Surety), which is approved under this

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<sup>1</sup> TTB's alcohol and tobacco bond-related information collection requests include OMB Control Nos. 1513-0009 (wine bonds), 1513-0015 (brewer's bonds), 1513-0103 (tobacco bonds), 1513-0116 (bond for distilled spirits drawback under 26 U.S.C. 5111), and 1513-0125 (distilled spirits bonds).

OMB control number, OMB No. 1513–0013. The proprietor and the bond's surety company execute TTB F 5000.18 in the same manner as a surety bond, and it has the same legal authority as the original bond.

The following TTB regulations in 27 CFR allow or require the filing of TTB F 5000.18 to report changes in bonds with consent of the surety to those changes:

17.106	17.108	18.39	18.40	19.59	19.60
19.116	19.117	19.118	19.132	19.133	19.134
19.141	19.143	19.155	19.168	19.428	19.454
19.459	19.688	19.689	19.690	19.692	19.693
24.101	24.108	24.125	24.128	24.129	24.135
24.136	24.145	24.146	24.148	24.152	24.154
24.291	25.72	25.73	25.77	25.81	25.92
25.95	25.271	26.61	26.64	26.70	28.51
28.54	28.58	28.62	28.64	28.67	28.151
28.160	40.101	40.137	40.396	40.397	40.407
40.408	41.85	41.114a	41.124	44.104	44.108
44.126 and	44.231.				

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?*

If the activities or circumstances of a TTB-regulated alcohol or tobacco industry member's operations change from those covered by an existing surety bond agreement, the proprietor and surety company may file form TTB F 5000.18, Change in Bond (Consent of Surety), with TTB in lieu of a new bond. This form acts as an extension of the bond, identifying new activities or conditions previously not specified on the bond. TTB uses the collected information to identify the proprietor and surety company involved, the bond being changed, and the new activities or conditions previously not specified on the original bond. This information is necessary to protect the revenue.

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?*

A respondent may electronically upload and submit a completed and signed copy of TTB F 5000.18 using TTB's Permits Online (PONL) system (<https://www.ttb.gov/ponl/customer-support>). The PONL system allows the submission of original and amended permit applications, along with any required supplemental forms such as bonds and consents of surety. The submission of TTB F 5000.18 via PONL speeds the submission process of that form for respondents. TTB F 5000.18 also is available at no cost to the public on the TTB website as a fillable-printable form (see <https://www.ttb.gov/public-information/forms>).

*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?*

Form TTB F 5000.18 collects information that is unique to each respondent and specific to changes to their bond and the consent of the bond's surety to those changes. As far as TTB can determine, 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?*

To protect the revenue, the IRC generally requires alcohol and tobacco industry members to file a bond to protect the revenue. However, the IRC now exempts small alcohol beverage producers, defined as those eligible to file tax returns on an annual or quarterly basis, from its bond requirements.<sup>2</sup> As such, small entities no longer file bonds, and they therefore no longer need to report a change in a bond and the consent of the surety. Since such small producers previously made up the largest group of respondents to this collection, TTB believes that this information request does not affect a significant number of small entities.

For those TTB-regulated alcohol and tobacco businesses still required to furnish a bond, TTB believes that TTB F 5000.18 provides flexibility to all entities, regardless of size, as the form provides for an extension of existing surety bond in lieu of having to file a new bond.

*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?*

For those alcohol and tobacco industry proprietors required by the IRC to provide a bond, the TTB regulations require the use of TTB F 5000.18 only when the respondent desires to change the activities covered under, or conditions of, an existing bond with the consent of its surety. As such, TTB cannot conduct this information collection less frequently. Also, if TTB did not provide for a change in bond and consent of surety as filed on TTB F 5000.18, proprietors would have to file a new bond, perhaps at additional cost, and their ability to engage in activities not covered by an existing bond would be delayed.

*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.

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<sup>2</sup> Effective January 1, 2017, section 332 of the Protecting Americans from Tax Hikes Act (PATH Act; Public Law 114–113, Division Q) amended the IRC at 26 U.S.C. 5551(d) to remove bond requirements for distilled spirits, wine, and beer excise taxpayers who are eligible to file excise tax returns on an annual or quarterly basis. Under the IRC at 26 U.S.C. 5061(d)(4), to use annual filing, a taxpayer must reasonably expect to be liable for not more than \$1,000 in excise taxes for the calendar year and must be liable for not more than \$1,000 in such taxes in the preceding calendar . To use quarterly filing, under that section, a taxpayer must reasonably expect to be liable for not more than \$50,000 in excise taxes for the calendar year and must be liable for not more than \$50,000 in such taxes in the preceding calendar year.

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 information collection on TTB F 5000.18. 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 the section specifically authorizes such disclosure. TTB maintains the collected information in secure computer systems and 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 information request collects personally identifiable information (PII) in government electronic systems, Permits Online (PONL) and the Integrated Revenue Information System (IRIS). As such, 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 that 120 alcohol and tobacco industry proprietors will file one TTB F 5000.18, Change in Bond (Consent of Surety), form per year, and that completion of each response requires 1 hour. This results in 120 total annual responses and 120 total burden hours for this information collection.

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$34.62 per hour for office and administrative support function employees in the beverage and

tobacco product manufacturing industries, TTB estimates the per-respondent and total respondent labor costs for this information collection as follows:<sup>3</sup>

<b>Annual Respondent Labor Costs for OMB No. 1513-0013 (Office and Administrative Support Employees in the Beverage and Tobacco Manufacturing Industries)</b>					
Avg. Time / Response	Fully-loaded Labor Rate / Response*	Responses / Respondent	Labor Costs / Respondent	Total Respondents	<b>Total Labor Costs</b>
1.0 hour	\$34.62	1	\$34.62	120	<b>\$4,154.40</b>

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

Recordkeeping: In general, the TTB regulations require alcohol and tobacco industry proprietors to keep a permit file, which includes copies of any required bonds and any related change in bond (consent of surety) forms. Proprietors must keep that file at their premises, readily available for TTB inspection, for as long as they remain in business. See 27 CFR 19.81 (distilled spirits plants), 24.117 (wineries), 25.64 (breweries), 40.76 (tobacco product manufacturers), 41.203 (tobacco importers), and 44.93 (export warehouse proprietors).

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 estimates that respondents do not have any non-labor costs for this occasional information collection. As for mailing supply and postage costs for this collection request, TTB has determined that 50 percent of the 120 annual respondents file TTB F 5000.18 by mail, resulting in 60 such submissions. TTB estimates that each mail submission requires \$2.00 in mailing supply and postage costs, resulting in a total of \$120.00 in 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 overhead costs associated with this low-volume information collection. In addition, there are no printing and distribution costs to TTB for this collection due to the availability of TTB forms on the TTB website (see <https://www.ttb.gov/public-information/forms>).

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

<sup>3</sup> Private Sector Fully-loaded Labor Rate per Hour = Hourly wage 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 (BLS), data for National Industry-Specific Occupational Employment and Wage Estimates for NAICS 312000—Beverage and Tobacco Product Manufacturing, the estimated fully-loaded labor rate for Office and Administrative Support Occupations (43-0000) is \$34.62, based on a mean hourly wage of \$24.04. See the BLS website at [https://www.bls.gov/oes/current/naics3\\_312000.htm](https://www.bls.gov/oes/current/naics3_312000.htm).

<b>Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio, for OMB No. 1513-0013</b>					
Position	Fully-loaded Labor Rate per Hour <sup>4</sup>	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$37.18	0.1 hour	\$3.72	120	\$446.40
GS-11, Step 5, Specialist	\$68.17	2 hours	\$136.34		\$16,360.80
GS-13, Step 5, Supervisor	\$97.16	0.25 hour	\$24.29		\$2,914.80
<b>TOTALS</b>	<b>(\$69.9362)</b>	<b>2.35 hours</b>	<b>\$164.35</b>	<b>120</b>	<b>\$19,722.00</b>

\* Fully-loaded labor rates and labor costs rounded to the nearest whole cent unless otherwise noted.

Total Costs: TTB estimates the total cost to the Federal government for this information collection to be **\$19,722.00**, which consists entirely of labor costs.

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

There are no program changes or adjustments associated with this information collection request, and TTB is submitting it for extension purposes only.

*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?*

As a cost saving measure for both TTB and the public, TTB is seeking approval not to display the expiration date for OMB approval of this information collection on form TTB F 5000.18. By not displaying that date, TTB will not have to update the form each time OMB reapproves this information collection. Similarly, respondents and other businesses will not have to update stocks of the paper form, self-produced electronic copies of the form, or versions of the form made for sale to other businesses. Additionally, not displaying the information collection's OMB approval expiration date on the paper form will avoid confusion among members of the public who may have copies of the form with different expiration dates in their possession.

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

<sup>4</sup> 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) hourly wage data, the estimated fully-loaded labor rates for Federal employees in the Cincinnati, Ohio, wage area are: (1) \$37.18 for GS-5 (step 5), based on an hourly wage of \$22.81; (2) \$68.17 for a GS-15 (step 5), based on an hourly wage of \$41.82; and (3) \$97.16 for a GS-13 (step 5), based on an hourly wage of \$59.61. See the OPM website at [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2025/CIN\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2025/CIN_h.pdf).

- (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.