

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0116

Bond for Drawback Under 26 U.S.C. 5111

Changes Since Last Approval

Changes made to the Supporting Statement since this information collection's last approval:

- In Question 1, TTB is making minor textual changes for clarity.
- In Question 8, TTB is updating the Federal Register publication information for the required 60-day notice.
- In Questions 12 and 14, TTB is updating respondent and Federal government labor costs, respectively, to reflect increased wage rates.

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.). 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.

The IRC at 26 U.S.C. 5111–5114 authorizes “drawback” (refund) of all but \$1.00 per proof gallon of the Federal excise taxes paid on distilled spirits subsequently used in the manufacture of certain nonbeverage products (medicines, medicinal preparations, food products, flavors, flavoring extracts, and perfume), and respondents may file such drawback claims on either a monthly or a quarterly basis. Specific to this information collection, under section 5114(b), monthly nonbeverage product drawback claimants must file a bond in the amount and under the conditions required by regulation (quarterly claimants are exempt from the bond requirement). Such bonds protect Federal revenue in cases where, after payment, a claim is found to be ineligible for drawback and the claimant is unable to repay the drawn-back taxes.

The TTB regulations governing the filing of nonbeverage product drawback claims are set forth in 27 CFR Part 17, Drawback on Taxpaid Distilled Spirits Used in Manufacturing

Nonbeverage Products, which are cross-referenced in 27 CFR Part 26, Liquors and Articles from Puerto Rico and the Virgin Islands. Specific to this information collection, the TTB regulations require respondents making monthly nonbeverage product drawback claims to file a bond with TTB using form TTB F 5154.3, Bond for Drawback Under 26 U.S.C. 5111. Specifically, such bonds are required or governed by §§ 17.101, 17.107, 17.108, 17.144, 26.172, and 26.308.

This information collection is aligned with the General Government/Taxation Management line of business and sub-function.

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

TTB uses form TTB F 5154.3 to identify the person(s) executing the nonbeverage product drawback bond required under the IRC for monthly claimants, the bond's guarantor, and the bond's amount, type, and effective date. In the event that TTB subsequently finds that a paid claim was ineligible for drawback and the claimant is unable to repay the drawn-back taxes, TTB uses the bond to obtain repayment of those funds.

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?

TTB has approved and will continue to approve, on a case-by-case basis, the use of improved information technology for the collection and maintenance of required information. Currently, for this low-volume collection, TTB F 5154.3 is available as a fillable-printable form on the TTB Web site at <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?

TTB F 5154.3 collects bond information that is pertinent and unique to monthly nonbeverage product drawback claimants. As far as TTB can determine, similar information is not available to it elsewhere.

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

As authorized by the IRC at 26 U.S.C. 5114(b), all persons filing nonbeverage product drawback claims on a monthly basis are required by the TTB regulations to file a bond to protect the Federal revenue, and this requirement cannot be waived or reduced simply because of the size of a person's business. TTB has minimized this information collection burden as much as possible within the context of the statutory requirement. In addition, TTB has found that most small entities elect to file nonbeverage drawback claims on a quarterly basis and thus avoid the requirement to file a bond on TTB F 5154.3.

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?

The bonds filed by monthly nonbeverage product drawback claimants ensure the repayment of claims later found to be ineligible for drawback. As such, the required bond is necessary to protect the Federal revenue. In addition, as this bond is filed only once by each respondent, 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 May 13, 2025, at 90 FR 20342. 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?

While TTB provides no specific assurance of confidentiality for this information collection, the IRC at 26 U.S.C. 6103 prohibits disclosure of tax related information unless that section specifically authorizes its disclosure. TTB maintains the collected information in secure file rooms and computer systems 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. 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.

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

Estimated Burden Hours: Based on recent data, TTB estimates that 10 respondents will each file one nonbeverage product drawback bond annually on TTB F 5154.3, resulting in

10 total annual responses. TTB also estimates that each response takes an average of 0.4 hour (24 minutes) to complete, resulting in an estimated total annual burden of 4 hours.

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$52.40 per hour for compliance officers employed in the beverage manufacturing industry, TTB estimates the per-respondent and total respondent labor costs for this information collection as follows:¹

Respondent Labor Costs for OMB No. 1513–0116 (Beverage Industry Compliance Officers — Average Fully-Loaded Labor Rate = \$52.40/hour*)					
Avg. Time / Response	Fully-loaded Labor Rate / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
24 minutes	\$20.96	1	\$20.96	10	\$209.60

* The fully-loaded labor rates and respondent labor costs are rounded to the nearest whole cent.

Recordkeeping: By operation of the drawback claim regulations, monthly claimants must retain a copy of the required bond for as long as the bond remains in force and they submit claims under that bond. (TTB regulations at 27 CFR 17.170 and 17.171 also require claimants to retain a copy of each claim and any required supporting documents for at least 3 years, and to make those records available for TTB inspection at their premises during regular business hours. These requirements are approved 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)?

TTB believes that respondents do not have any non-labor costs, other than mailing supply and postage costs, for this occasional information collection. As such, TTB estimates that each respondent has no more than \$2.00 in mailing supply and postage costs for its one annual response, which results in a total of \$20.00 in such costs for the estimated 10 annual responses to 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: TTB has determined that it has no overhead costs associated for this very occasional information collection. In addition, TTB has no printing and distribution costs for

¹ Private Sector Fully-loaded Labor Rate = Hourly wage rate multiplied by 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 312100—Beverage Manufacturing, the average fully-loaded labor rate for Compliance Officers (13–1041) is \$52.40, based on an hourly mean wage of \$36.39/hour. See <https://data.bls.gov/oes/#!/industry/312100>.

this collection due to the availability of forms on its 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:

Labor Costs for OMB No. 1513–0116 for TTB Personnel at the National Revenue Center in Cincinnati, Ohio					
Position	Fully-loaded Labor Rate per Hour ²	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS–5, Step 5, Clerk	\$37.18	10 minutes	\$6.20	10	\$62.00
GS–11, Step 5, Specialist	\$68.17	10 minutes	\$11.36		\$113.60
GS–13, Step 5, Supervisor	\$97.16	10 minutes	\$16.19		\$161.90
TOTALS	(\$67.50)	30 minutes	\$33.75	10	337.50

* Fully-loaded labor rates and Federal employee labor costs rounded to the nearest whole cent.

Total Costs: TTB estimates that the total cost to the Federal Government for this collection is \$337.50, 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 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?

TTB will display the expiration date for OMB approval for this information collection on its related form, TTB F 5154.3.

² Federal Government Fully-loaded Labor Rate = Hourly wage x 1.63 to account for employee benefit costs. Per the most recent Office of Personnel Management (OPM) salary tables, for Federal employees in the Cincinnati, Ohio, wage region, the hourly fully-loaded wage rates for TTB employees are: (1) \$37.18 for GS–5 (step 5), (2) \$68.17 for GS–11, step 5, and (3) \$97.16 for GS–13, step 5. See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2025/CIN_h.pdf.

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.
- (j) See item 3 above.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.