

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0026**

**Claims for Drawback of Tax on Tobacco Products, Cigarette Papers, and  
Cigarette Tubes Exported from the United States**

**Changes Since Last Approval**

In this Supporting Statement, TTB is updating the information provided in Questions 8, 12, 14, and 15 to reflect changes to, respectively, the 60-day notice publication information, estimated respondent labor costs, Federal Government labor costs, 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; 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. 5706 provides for the drawback (refund) of Federal excise tax paid on tobacco products and cigarette papers and tubes when such articles are shipped from the United States in accordance with the bond and regulatory requirements prescribed by the Secretary. Under that IRC authority, TTB has issued regulations governing such drawback claims, which are codified in 27 CFR part 44, subpart K (§§ 44.221 through 44.232). As set forth in § 44.221, claimants may file for drawback of the excise tax paid on tobacco products and cigarette papers and tubes when such articles are subsequently shipped to a foreign country, Puerto Rico, the U.S. Virgin Islands, or a possession of the United States, provided that the claimant complies with the provisions of subpart K.

Specific to this collection request, § 44.222 requires that claimants file export drawback claims for tax-paid tobacco-related articles using form TTB F 5620.7, Claim for Drawback of Tax on Tobacco Products, Cigarette Papers and Cigarette Tubes, which the claimant must submit in time to allow a TTB officer to inspect the articles to be exported. The form identifies the claimant, the articles on which that person is claiming drawback, and the amount of tax claimed for drawback. Sections 44.224 through 44.227 and 44.232 describe the procedures that claimants, customs or postal officials, or TTB officers follow to release

the articles for export, certify receipt of the articles in a foreign trade zone, their export or postal shipment, and document approval or disapproval of the submitted claim.<sup>1</sup>

In addition, § 44.223 requires that each export drawback claim be accompanied by a bond, filed on TTB F 5200.17, Bond—Drawback of Tax on Tobacco Products, Cigarette Papers, or Tubes, covering the amount of tax for which drawback is claimed and conditioned on the claimant providing evidence satisfactory to TTB that the articles landed at a foreign port or were lost after export. Under § 44.228, evidence of foreign landing consists of the described certificate, which claimants must file with TTB within 6 months of the exportation of the articles. However, § 44.229 allows a claimant who cannot furnish a landing certificate to substitute a letterhead application for relief identifying the exported articles and documenting their foreign landing. For articles lost in transit, § 44.230 allows a claimant to file a letterhead application for relief, along with supporting documents, describing the loss and any insurance paid. In addition, § 44.231 allows a claimant to file a letterhead application for an extension of time to file the landing certificate required as a condition of a claim's bond, provided that the bond's surety consents to the extension and that such extensions are limited to no more than two, 3-month periods.<sup>2</sup> Finally, § 44.232 directs the appropriate TTB officer to determine the permissibility of the drawback claim upon receipt of the executed TTB F 5260.7.

TTB requires the collected information to protect the revenue. The collected information allows respondents to claim export drawback for tobacco products, cigarette papers, and cigarette tubes to which they are statutorily entitled, provides accountability for such articles, ensures that such drawback is paid only to eligible recipients, and guarantees repayment of any such drawback paid to ineligible recipients.

This information collection request 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?*

TTB uses the information collected under this request to ensure that it provides export drawback for taxpaid tobacco products and cigarette papers and tubes in a manner consistent with statutory provisions and only to eligible claimants. TTB uses the required information to identify claimants and the articles for which the respondent claims export drawback, and to verify export of those articles from the United States and their landing in a foreign port or their loss in shipment. TTB also may audit drawback claims or otherwise verify the export, landing, or loss of the articles for which drawback is claimed, or, via the required bond, to recover drawback payments made to ineligible 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?*

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<sup>1</sup> Section 44.222 requires the inspected articles' packages to bear a notice reading "For Export with Drawback of Tax," and this requirement is cross-referenced in § 44.224(b). In addition, § 44.224(c) requires the articles' shipping containers to be numbered and bear a notice prohibiting the articles' sale or use in the United States. These notice requirements are approved under OMB Control No. 1513-0101, Marks and Notices on Packages of Tobacco Products, TTB REC 5210/13.

<sup>2</sup> The collection of information regarding the consent of a surety, submitted on TTB F 5000.18, is approved under OMB Control No. 1513-0013, Change in Bond (Consent of Surety).

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 the required information. Currently, TTB F 5200.17 and TTB F 5620.7 are available as fillable-printable forms on the TTB website (see <https://www.ttb.gov/public-information/forms>). Respondents may generate the required export drawback claim-related package and shipping container marks, landing certificates, and optional letterhead applications using improved information technology at their discretion.

*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 to each respondent and applicable to their specific claim for drawback of Federal excise tax paid on tobacco products and cigarette papers and tubes subsequently exported from the United States. As far as TTB is able to 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?*

The TTB regulations require all entities, regardless of size, to provide the required information to obtain drawback of Federal excise tax paid on tobacco products and cigarette papers and tubes subsequently exported from the United States. Waiver or reduction of TTB's drawback claim requirements, simply because the respondent's business is small, would allow payment of ineligible claims, which would jeopardize the revenue. In addition, TTB believes that the collected information is minimal and that respondents readily source that information from usual and customary business records, such as shipping invoices and consignment records.

*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?*

Respondents complete this information collection request only on occasion when making a claim for export drawback in order to comply with the relevant statutes and regulations. Not collecting this information, or collecting the information less frequently, would allow payment of ineligible claims, which would jeopardize the revenue.

*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?*

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 regarding this information collection request.

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 information 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 disclosure is specifically authorized by that section. TTB maintains the submitted forms and 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 request contains no questions of a sensitive nature. In addition, this collection request does not collect personally identifiable information (PII) in a government 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 Respondent Burden Hours: Based on recent data, TTB estimates the annual respondent burden hours for this information collection request to be as follows:

<b>OMB No. 1513-0026 Information Collections &amp; Instruments</b>	<b>Annual Respondents (One response each per year)</b>	<b>Total Annual Responses</b>	<b>Per Response Burden</b>	<b>Total Burden</b>
Claims and Bonds for Export Drawback for Tobacco Products, Cigarette Papers & Cigarette Tubes*	10	10	1.5 hours	15 hours
Misc. Letterhead Applications Related to Tobacco Export Drawback	3	3	1 hour	3 hours
<b>Grand Totals:</b>	<b>13</b>	<b>13</b>	<b>(avg. 1.385)</b>	<b>18 hours</b>

\* Collection instruments including in this information collection are TTB F 5620.7 for claims, requiring 0.5 hour to complete, and TTB F 5200.17 for the bond, requiring 1 hour to complete.

Estimated Respondent Labor Costs: Based on the estimated fully-loaded labor rate of \$35.42 per hour for Office and Administrative Support employees in the tobacco manufacturing industry, TTB

estimates the per-respondent and total respondent labor costs for this collection as follows:<sup>3</sup>

Annual Respondent Labor Costs for OMB No. 1513-0026 (Office and Administrative Employees in the Tobacco Manufacturing Industry)					
Information Collection	Avg. Time / Response	Fully-loaded Labor Rate / Response*	Labor Costs / Respondent (1 response each annually)	Total Respondents	Total Labor Costs
Claims and Bonds (TTB F 5620.7 & TTB F 5200.17)	1.5 hours	\$53.13	\$53.13	10	\$531.30
Misc. Letterhead Applications	1 hour	\$35.42	\$35.42	3	\$106.26
<b>TOTALS:</b>	<b>(1.3846 hours)</b>	<b>(\$49.043)</b>	<b>(\$49.043)</b>	<b>13</b>	<b>\$637.56</b>

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

Recordkeeping Requirements: The TTB regulations in 27 CFR part 44 do not set any specific recordkeeping requirement or period for the information submitted under this information collection request.<sup>4</sup>

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 as respondents gather the required information for drawback claims related to the export of taxpaid tobacco products and cigarette papers and tubes from usual and customary business records, such as shipping and consignment documents. As for mailing supply and postage costs for this collection request, TTB estimates that each respondent has \$4.00 in such costs for their one annual response, which totals \$52.00 for the 13 annual responses to this collection request.

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

There are no overhead costs to TTB associated with this information collection request, and there are no printing and distribution costs to TTB due to the availability of TTB forms on its website (see <https://www.ttb.gov/public-information/forms>).

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. 1513-0026\***

<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, data for National Industry-Specific Occupational Employment and Wage Estimates for NAICS 312200—Tobacco Product Manufacturing, the average fully-loaded labor rate per hour for Office and Administrative Support Occupations (43-0000) employees is \$35.42 based on a mean hourly wage of \$24.60. See the BLS website at [https://www.bls.gov/oes/2023/may/naics4\\_312200.htm](https://www.bls.gov/oes/2023/may/naics4_312200.htm).

<sup>4</sup> In general, the regulations in 27 CFR part 44 set a three-year record retention requirement for other information collections related to removals and claims. See §§ 44.142, 44.199, and 44.257, which are associated with OMB Nos. 1513-0027 (TTB F 5200.14, Removals of Tobacco Products and Cigarette Papers and Tubes Without Payment of Tax, and OMB No. 1513-0030 (TTB F 5620.8, Claims—Alcohol, Tobacco, and Firearms Taxes).

Position	Fully-loaded Labor Rate per Hour <sup>5</sup>	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$37.18	0.2 hours	\$7.44	13	\$96.72
GS-11, Step 5, Specialist	\$68.17	6 hours for claim and bond forms	\$409.02		\$5,317.26
<b>TOTALS</b>	<b>(\$67.17)</b>	<b>6.2 hours</b>	<b>\$416.46</b>	<b>13</b>	<b>\$5,413.98</b>

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

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

There are no program changes or adjustments to this information collection request at this time, 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.*

Using the collected data for approved claims, TTB publishes the total amount of taxes that it returns to claimants as refunds and drawback in its Annual Reports. TTB generalizes all reported claims data, and TTB does not identify specific taxpayers in its Annual Reports, which TTB posts on its 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 request on forms TTB F 5200.17 and TTB F 5620.7. However, TTB cannot display that date on the miscellaneous letterhead applications included in this collection request, as respondents generate those documents.

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.**

<sup>5</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 fully-loaded labor rates for Federal employees in the Cincinnati, Ohio, wage area are: (1) GS-5, step 5, employee = \$37.18 (based on an hourly wage of \$22.81); and (2) GS-11, step 5 employee = \$68.17 (based on an hourly wage of \$41.82). 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).

This information collection request does not employ statistical methods.