

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0089**

**Records Supporting Drawback Claims on Eligible Articles Brought into the United States from Puerto Rico or the Virgin Island (TTB REC 5530/3).**

**Changes Since Last Approval**

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

- In Question 8, TTB is updating the publication information for the related 60-day notice.
- In Questions 12 and 14, TTB is updating the respondent and Federal government labor costs, respectively, associated with this information collection.

**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 making medicines, medicinal preparations, food products, flavors, flavoring extracts, and perfume that are unfit for beverage purposes. In particular, 26 U.S.C. 5112 requires claimants for nonbeverage product drawback to keep records documenting the receipt, use, and tax determination of the distilled spirits in question, subject to regulations prescribed by the Secretary to prevent frauds against the Treasury. Further, under the IRC at 26 U.S.C. 7652(g), those drawback provisions also apply to such articles brought into the United States from Puerto Rico or the U.S. Virgin Islands.

Under those IRC authorities, the TTB regulations at 27 CFR 26.174 and 26.310 require claimants for nonbeverage product drawback on eligible articles brought into the United States from Puerto Rico or the U.S. Virgin Islands to keep certain records. The required records must document the receipt, taxpayment, and use of the distilled spirits for which they will claim drawback, and records of the eligible articles' entry into the United States. Such records include usual and customary business records, such as invoices, production

records and shipping records, as well as TTB claims form serial numbers and taxpayment certifications. Claimants also must maintain the records at their business premises for at least 3 years, during which time TTB may inspect the required records to verify the data provided by claimants in their drawback claims. Such verification is necessary to protect the revenue and ensure compliance with the relevant statutory requirements.<sup>1</sup>

This information collection is aligned with Line of Business/Sub-function: General Government/Taxation Management.

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

TTB uses the records required under this information collection approval to verify data provided in nonbeverage product drawback claims involving eligible articles produced in Puerto Rico or the U.S. Virgin Islands and brought into the United States. Such verification is necessary to protect the revenue and ensure compliance with the relevant statutory requirements concerning such claims.

*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 maintain the required records at their business premises. TTB does not specify the form or format of the records, and electronic records are acceptable, provided that TTB can access the records at a respondent's premises during business hours.

*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 required records, kept by respondents at their places of business, are pertinent and unique to each nonbeverage product drawback claim filed with TTB for eligible articles brought into the United States from Puerto Rico or the U.S. Virgin Islands. As far as TTB can 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 IRC requires all entities, regardless of size, to keep records documenting the data provided in nonbeverage product drawback claims made for eligible articles brought into the United States from Puerto Rico or the U.S. Virgin Islands. However, TTB believes that the required records, many of which are usual and customary business records, are the minimum necessary to verify such claims, and, as such, TTB believes that this information collection has no significant impact on small entities.

*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?*

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<sup>1</sup> Respondents file nonbeverage product drawback claims with TTB using forms TTB F 5620.8, Claims--Alcohol, Tobacco, and Firearms Taxes, and, as needed, TTB F 5154.2, Supporting Data for Nonbeverage Drawback Claims, approved under OMB Control Nos. 1513-0030 and 1513-0098, respectively.

If TTB did not require respondents to keep the required drawback claim records, it would not be able to verify those claims, which would jeopardize the revenue. The required records assist TTB in preventing payment of fraudulent or improperly filed claims, and help ensure claimants comply with the relevant statutory and regulatory requirements. In addition, respondents maintain the required records only on an as needed basis, and, as such, TTB cannot conduct this information 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?*

TTB provides no specific assurance of confidentiality for this information collection, which consists of records that respondents keep at their premises. However, 5 U.S.C. 522 prohibits disclosure of any proprietary information contained in the required records, and the IRC at 26 U.S.C. 6103 prohibits disclosure of tax related information unless that section specifically authorizes its disclosure.

*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 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 Respondent Burden: Based on recent data, TTB estimates that 10 respondents will maintain the required records on an ongoing basis at their business premises and that each respondent will make one annual response, resulting in 10 total annual responses. As the required records are largely usual and customary business records, the maintenance of which imposes no burden on respondents as provided in 5 CFR 1320.3(b)(2), TTB finds that each response to this collection requires no more than one hour to complete, resulting in a total estimated annual burden of 10 hours.

Estimated Respondent Labor Costs: TTB estimates the annual per-respondent and total respondent labor costs for this information collection as follows:

<b>NAICS 312000 – Beverage Manufacturing – Office &amp; Administrative Support Occupations</b> <b>Fully-loaded Labor Rate/Hour<sup>2</sup> = \$36.94*</b>					
Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
1 hour	\$36.94	1	\$36.94	10	\$369.40

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

Respondent Record Retention: Under the TTB regulations at 27 CFR 26.174(e) and 26.310(e), respondents must retain the required records for at least 3 years, and those records must be made available for inspection by TTB personnel during regular business hours.

13. *What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information (excluding the value of the burden hours in Question 12 above)?*

This information collection, which respondents maintain at their business premises, consists of usual and customary business records, as well as data from certain TTB forms. As such, TTB finds that there are no annualized non-labor costs to respondents associated with this collection.

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

This information collection consists of records maintained by respondents at their premises, and, as such, there is no cost to the Federal government for this information collection.

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

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<sup>2</sup> The fully-loaded Labor Rate = Hourly wage rate + benefit costs, which, for the private sector, is calculated as hourly wage x 1.44. 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 312100—Beverage Manufacturing, the average fully-loaded labor rate per hour for Office and Administrative Support Occupations (43–0000) is \$36.94, based on a mean hourly wage of \$25.65; see <https://data.bls.gov/oes/#/industry/312100>.

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

*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?*

This information collection consists of records kept and maintained at a respondent's business premises, and, as such, there is no form or other medium for TTB to display the expiration date of its OMB approval.

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

(c) See item 5 above.

(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.