

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0012

User's Report of Denatured Spirits

Changes Since Last Approval

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

- In Question 8, TTB is updating the publication data for the required 60-day notice requesting public comments on this information collection.
- In Question 12 and 14, TTB is updating, respectively, the estimated respondent hour labor costs and the Federal Government labor costs associated with this information collection based the most recent data available.
- In Question 15, TTB is updating its response to reflect that there are no adjustments to the burden estimate for this information collection describes the adjustments to the estimated burden 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.

In general, while the IRC at 26 U.S.C. 5214 allows the tax-free withdrawal of denatured distilled spirits from a distilled spirits plant (DSP), 26 U.S.C. 5275 requires persons who procure, deal in, or use specially denatured spirits (SDS), or who recover SDS or completely denatured spirits (CDS) to maintain records and file reports as the Secretary prescribes by regulation.

Under that IRC authority, the TTB regulations in 27 CFR part 20 govern the distribution and use of denatured alcohol. Specifically, 27 CFR 20.264(b) requires persons who use SDS, or who recover SDS or articles, or who use recovered CDS or articles (hereafter “denatured spirits”), to account for their use of such materials in specific approved formulas during the

period July 1 through June 30 using TTB F 5150.18, User's Report of Denatured Spirits.¹ In addition, 27 CFR 20.68(b) requires a permittee to submit a final report on TTB F 5150.18 when permanently discontinuing business. TTB uses the collected information to ensure that the relevant provisions of the IRC are appropriately applied and to detect diversion of untaxed distilled spirits to taxable uses.

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 personnel use the collected information to ensure that users of denatured spirits operate in compliance with Federal law, regulations, and approved formulas. TTB also uses the collected information to detect diversion of denatured spirits, which are not subject to tax, to taxable uses.

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, TTB F 5150.18 is available as a fillable-printable form on the TTB website 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 5150.18 contains information pertinent to each respondent and applicable to the specific issue of the respondent's use of denatured spirits. As far as TTB is able to 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?

The TTB regulations require submission of TTB F 5150.18 to ensure that users of denatured spirits, which are not subject to tax, operate in compliance with relevant Federal laws and regulations, and to detect diversion of such untaxed spirits to taxable uses. As such, TTB cannot waive submission of this information collection simply because the respondent's business is small. Since this report is required only once annually or when permanently discontinuing business, TTB believes that its impact on small businesses is minimal and not susceptible to reduced requirements for such businesses.

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?

¹ The recordkeeping requirements regarding the use of denatured spirits, from which the report's information is compiled, are contained in 27 CFR 20.161–20.264(a), and are approved under OMB control number 1513–0062.

To account for the use of denatured spirits, which are not subject to tax, TTB requires respondents to submit TTB F 5150.18 once per year, or when permanently discontinuing business, to account for their use of such materials. Not collecting the required information or collecting it on less than an annual basis would negatively affect TTB's ability to ensure that users of denature spirits operate lawfully and 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? (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.

TTB published a "60-day" notice requesting public comments on this information collection in the Federal Register of August 13, 2025, at 90 FR 39035. TTB received two anonymous comments on this information collection.

The first commenter stated that they had difficulty locating form TTB F 5150.18 and could not find a way to submit it electronically on Pay.gov. TTB notes that a fillable-printable version of the form is readily accessible via the TTB website (<https://www.ttb.gov>) under the "Resources" tab, which provides a link to TTB's forms webpage (<https://www.ttb.gov/public-information/forms>). Users may also locate any TTB form via the TTB website's search box; the first result of a search for "5150.18" is a link to the current version of the form. TTB also notes that while form TTB F 5150.18 is not currently available for electronic submission on the Pay.gov website, the form's instructions provide TTB's mailing address for the form.

The second commenter submitted a comment in support of the continued use of TTB F 5150.18 under this information collection number and the continued use of TTB F 5120.29, Formula and Process for Wine (approved under OMB No. 1513-0010), "to ensure that the provisions of the IRC are appropriately applied." TTB notes that it has no plans to discontinue the use of either collection.

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 taxpayer information unless disclosure is specifically authorized by that

section. TTB maintains the collected information in secure office space with controlled access and in password-protected computer systems.

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 information collection 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 burden of this collection of information?

Estimated Respondent Burden: Based on recent data, TTB estimates that 650 respondents will submit 1 annual response to this collection request using form TTB F 5150.18, for a total of 650 responses. TTB also estimates that respondents require 18 minutes to complete each response, resulting in a total estimated annual burden of 195 hours.

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

Annual Respondent Labor Costs for OMB No. 1513–0012					
Compliance Officers in the Chemical Manufacturing Industry (NAICS 325000)					
Compliance Officers Fully-loaded Labor Rate/Hour = \$66.40²					
Avg. Time / Response	Fully-loaded Labor Cost / Response*	Responses / Respondent	Labor Costs / Respondent	Total Respondents	Total Labor Costs
18 minutes	\$19.92	1 (one)	\$19.92	650	\$12,948.00

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

Recordkeeping: Under 27 CFR 20.267, respondents must retain a file copy of TTB F 5150.18 for a period of at least 3 years, such records must be kept at the premises where the reported denatured spirits operations occurred, and they must be available for TTB inspection during regular business hours.

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)?

² Private Sector Fully-loaded Labor Rate = Hourly wage rate x a factor of 1.44 to account for 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, the averaged fully-loaded wage for Compliance Officers (13–1041) in the Chemical Manufacturing Industry (NAICS 325000) is \$66.40/hour, based on a mean hourly wage of \$46.11. See <https://data.bls.gov/oes/#!/industry/325000>.

TTB does not believe respondents bear any non-labor costs, other than mailing supply and postage costs, for this information collection because they generate the required report information from usual and customary records kept during the normal course of business, which, under Office of Management and Budget (OMB) regulations at 5 CFR 1320.3(b)(2), impose no additional costs on respondents.³ As such, TTB estimates that each respondent has no more than \$2.00 in mailing supply and postage costs for their one annual response, which, for 650 total responses, results in a total of \$1,300.00 in such costs for this information collection.

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

TTB has no printing and distribution costs for this information collection due to the public availability of its related form on the TTB website at <https://www.ttb.gov/public-information/forms>, and TTB has determined that it has no overhead costs for this once-per-year information collection.

TTB estimates its labor costs for this information collection as follows:

Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio, for OMB No. 1513-0012					
Position	Fully-loaded Labor Rate per Hour ⁴	Processing Time per Response	Labor Cost per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$37.18	0.25 hour	\$9.30	650	\$6,045.00
GS-9, Step 5, Specialist	\$56.35	0.75 hour	\$42.26		\$27,469.00
TOTALS	(\$51.56)	1 hour	\$51.56	650	\$33,514.00

* Labor costs rounded to the nearest whole cent unless otherwise noted.

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

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

TTB is making an edit for clarity to the general instructions on form TTB F 5150.18. The current text of the third sentence, reading "Transactions involving the recovery of completely denatured *spirits* or articles need not be included in annual reports" is revised to read "Transactions involving the recovery of completely denatured *alcohol* or articles need not be included in annual reports" [italics added to highlight the change]. This change matches the language of the relevant regulations; see 27 CFR part 20, subpart H.

³ The recordkeeping requirements regarding the use of denatured spirits are approved under OMB No. 1513-0062.

⁴ 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) \$33.27 for GS-5 (step 5), and (2) \$50.42 for a GS-9 (step 5). See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN_h.pdf.

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 of OMB approval for this information collection on its related form, TTB F 5150.18.

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.