

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0068

**Records of Operations—Manufacturer of Tobacco Products, Cigarette Papers and Tubes,
or Processed Tobacco (TTB REC 5210/1)**

Changes Since Last Approval

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

- In Question 8, TTB is updating the 60-day notice publication information for this information collection.
- In Question 12, TTB is updating the estimated respondent labor costs for 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, 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 these 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, chapter 52 of the IRC (26 U.S.C. chapter 52) imposes Federal excise tax on all tobacco products and cigarette papers and tubes manufactured in or imported into the United States, but it exempts such articles removed for export and certain other uses, and it exempts from that tax as well.¹ To safeguard that revenue, the IRC at 26 U.S.C. 5741 requires every manufacturer of tobacco products, cigarette papers and tubes, and processed tobacco to keep such records as the Secretary prescribes by regulation to maintain accountability for those products.

Under that IRC authority, the TTB regulations in 27 CFR Part 40, Manufacture of Tobacco Products, Cigarette Papers and Tubes, and Processed Tobacco, require manufacturers of such articles to keep certain daily operational and transaction records. In particular, the regulations in part 40, subpart H, require tobacco product manufacturers to keep daily

¹ Under chapter 52 of the IRC, "tobacco products" subject to Federal excise tax are small and large cigars, small and large cigarettes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco. Processed tobacco, which is not subject to tax, is used to manufacture tobacco products.

records of: Processed tobacco received, used in the manufacture of tobacco products, lost, destroyed, and removed; records of tobacco products that show quantities manufactured, received in bond or received by return to bond, removed by whatever means, consumed or otherwise used, or disclosed as an inventory loss or gain; records in support of removals subject to tax; and records in support of transfers in bond. The regulations also require manufacturers to keep the auxiliary and supplemental records from which they compile those operational records.

The regulations in part 40, subpart K, require manufacturers of cigarette papers and tubes to keep daily records of: Cigarette papers and tubes manufactured, received without payment of tax from another factory, an export warehouse, customs custody, or by withdrawal from the market, and such products removed by whatever means, lost, or destroyed.

The regulations in part 40, subpart L, require manufacturers of processed tobacco to keep daily records of operations and transactions showing total quantity of: Processed tobacco on hand; used in the manufacture of tobacco products; processed, received, or removed from the factory for shipment to a person holding a TTB permit; removed from the factory for shipment to a person not holding a TTB permit; removed from the factory for export; and removed for any other purpose, lost, or destroyed.

The part 40 regulations also provide that manufacturers may use usual and customary business records, where possible, to keep and maintain the required information, provided that TTB may readily ascertain the information. Additionally, the part 40 regulations prescribe that manufacturers maintain the required records for 3 years following the close of the calendar year and make them available for TTB inspection upon request.

This information collection is necessary to protect the revenue. The required records provide TTB with accountability for the receipt, production, and disposition of tobacco products, cigarette papers and tubes, and processed tobacco, allow TTB to determine that excise tax liabilities are accurately determined and discharged by manufacturers, and assist in detecting diversion of untaxed articles to taxable uses.

The specific regulations implementing this information collection are contained in 27 CFR:

40.181	40.182	40.183	40.184	40.185	40.186
40.421	40.435	40.521 and	40.524.		

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?

Industry members maintain the operational and transaction records required under this information collection at their business premises. During tax compliance examinations, TTB personnel use the required records to verify that all tobacco products, cigarette papers and tubes, and processed tobacco can be accounted for and that the recorded information is consistent with the data reported to TTB in monthly operational reports, determine that tax

liabilities have been accurately determined and discharged, and to ensure that no diversion of untaxed articles to taxable uses has occurred.²

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 may use information technology of their choice to maintain the required records, provided that the records are readily available to TTB personnel for inspection.

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?

This information collection consists of records that are specific to each respondent and applicable to the operations and transactions of manufacturers of tobacco products, cigarette papers and tubes, and processed tobacco. 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?

All entities, regardless of size, are required by statute to maintain the records prescribed by regulation. Waiver or reduction of this requirement, simply because the respondent's business is small, could cause jeopardy to the revenue by harming TTB's ability to verify operational information reported to TTB and to account for activities giving rise to excise tax liability.

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?

If TTB did not require the recordkeeping associated with this information collection, TTB would not be able verify operations and transactions related to the manufacture and removal of tobacco products, cigarette papers and tubes, and processed tobacco. In addition, without the required records, TTB could not verify that excise tax liabilities were properly determined and paid or detect diversion resulting in tax liability had not occurred. TTB also believes that the regulations related to this collection require respondents to keep operational and transaction records only as often as necessary to meet their own business requirements, and, as such, the frequency of this collection cannot be reduced.

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).)

² Based on the records required under this information collection, manufacturers of tobacco products and/or cigarette papers and tubes file monthly operations reports on TTB F 5210.5, while manufacturers of processed tobacco file monthly operations reports on TTB F 5250.1. Both forms are approved under OMB No. 1513-0033.

There are no special circumstances associated with this information collection that would require it to be conducted in a manner 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 August 13, 2025, at 90 FR 39035. 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 tobacco-related operational and transaction records maintained by respondents at their business premises. TTB notes that Federal law at 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals, and that 26 U.S.C. 6103 prohibits disclosure of tax returns and related information unless disclosure is specifically authorized by that section.

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, which consists of tobacco-related operations and transaction records kept by respondents at their premises, 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 hour burden of this collection of information?

Estimated Burden Hours: Based on recent data, TTB estimates that 235 respondents will each make 1 annual response to this information collection, resulting in 235 total responses. TTB further estimates that each respondent requires 2 hours to complete its 1 annual response, resulting in an estimated total annual burden of 470 hours. (Respondents keep most of the information required under this collection using usual and customary records kept by respondents during the normal course of business, which, under the OMB regulations at 5 CFR 1320.3(b)(2), imposes no additional burden on respondents.)

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$31.95 per hour for all Office and Administrative Support employees in the tobacco manufacturing industry, TTB estimates the per-respondent and total respondent labor costs for this information collection as follows:³

Respondent Labor Costs for OMB No. 1513–0068 (Tobacco Manufacturing, Office and Administrative Support Positions, Average Fully-Loaded Labor Rate = \$39.02/hour*)					
Avg. Time / Response	Fully-loaded Labor Rate / Response	Responses / Respondent	Labor Costs / Respondent	Total Respondents	Total Labor Costs
2 hours	\$78.04	1	\$78.04	235	\$18,339.40

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

Respondent Record Retention: Under 27 CFR 40.185, 40.435, and 40.524, tobacco product manufacturers, cigarette paper and tube manufacturers, and processed tobacco manufacturers, respectively, must retain the required records for three years following the close of the calendar year in which filed or made. In addition, respondents must make the retained records available for inspection by any appropriate TTB officer upon request.

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)?

Given that most of the information required under this collection is found in usual and customary records kept by respondents during the normal course business, TTB believes that respondents have no additional non-labor costs for this recordkeeping requirement.

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

There is no cost to the Federal Government for this information collection, which consists of records kept by respondents at their business premises.

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.

16. Outline plans for tabulation and publication for collections of information whose results will be published.

TTB does not publish the results of this information collection.

³ Private Sector Fully-loaded Labor Rate per Hour = Hourly wage rate 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 all Office and Administrative Function employees is \$39.02, based on a mean hourly wage of \$27.10. See <https://data.bls.gov/oes/#/industry/312200>.

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 business records kept by respondents at their premises and there is no TTB form associated with this collection. As such, there is no medium for TTB to display the collection's OMB approval expiration date.

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.