

Department of the Treasury

Alcohol and Tobacco Tax and Trade Bureau

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0106

Importers of Tobacco Products - Record of Operations

A. Justification

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection?

TTB has been delegated the authority to administer the provisions of 26 U.S.C. §§ 5712 and 5713. These sections require that importers of tobacco products apply for and receive a permit before engaging in the business of importing tobacco products. As part of the requirements after receiving a permit for importing tobacco products, these persons will be required to maintain certain records. The authority for requiring these records is located at 26 U.S.C. § 5741. These records are defined in 27 CFR 41.11.

27 CFR 41.204 and 41.205 are the sections of regulations that require recordkeeping by importers of tobacco products.

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

TTB is requiring these records to protect the revenue and to be able to determine the compliance of importers with regulatory requirements regarding the importation of tobacco products, such as the accuracy of importers' monthly reports (TTB F 5220.6). The records will be maintained to allow TTB officers to trace tobacco product transactions and determine that tax liabilities have been accurately determined and discharged by the importer. On occasion, importers will be subject to audit by TTB officers.

TTB uses these records to validate revenue collections and establish the compliance level of a particular importer and the importer community as a whole. If this collection of information were discontinued, the consequence on the TTB program of administering the Federal laws and regulations applicable to tobacco products would be the failure of TTB to satisfy the statutory objective of revenue protection.

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 not prescribed that the records be automated, electronic, or mechanical for tobacco importers. However, TTB will accept any such recordkeeping that meets the regulatory requirements as stated in 27 CFR 41.11 and that enables the importer to maintain these records. Under 27 CFR 41.11, records include statements, declarations, books, papers, correspondence, accounts, technical data, automated record storage devices (e.g., magnetic discs and tapes), computer programs necessary to retrieve information in a usable form, and other documents. TTB has approved and will continue to approve on a case-by-case basis the use of improved information technology for the maintenance of required records.

4. What efforts are used to identify duplication? Why can't any similar information already available be used or modified for use for the purposes described in Item 2 above?

The required records do not duplicate any existing records and are usual and customary for a business which engages in importing tobacco products.

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

Since this information collection is usual and customary, there is no impact to small businesses or other entities. In addition, the recordkeeping requirement at 27 CFR 41.204 and 41.205 can be in a number of formats, including electronic, to accommodate any recordkeeping maintained by a business, large or small.

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?

This recordkeeping requirement is considered to be the minimum necessary to ensure compliance and prevent jeopardy to the revenue. TTB uses these records to validate revenue collections and establish the compliance level of a particular importer and the importer community as a whole. If this collection of information were discontinued, the consequence on the TTB program of administering the Federal laws and regulations applicable to tobacco products would be the failure of TTB to satisfy the statutory objective of revenue protection.

7. Are there any special circumstances associated with this information collection?

A TTB officer may require, in writing, an importer to maintain records to be kept more than 3 years. This would only be done in very limited cases where TTB had learned just before the 3 years expired an importer has serious tax or regulatory compliance deficiencies.

8. What effort was made to notify the general public about this collection of information?

A 60-day Federal Register notice was published for this information collection on Thursday, June 8, 2006, 71 FR 33335. The notice solicited comments from the general public. TTB received no comments.

9. What decision was made to provide any payment or gift to respondents, other than reenumeration of contractors or grantees?

No payment or gift is associated with this collection.

10. What assurance of confidentiality was provided to respondents and what was the basis for the assurance in statute, regulations, or agency policy?

These records are maintained at the premises of the regulated individual. However, 26 U.S.C. 6103 and 5 U.S.C. 552 protect the confidentiality of proprietary information obtained by the Government from regulated individuals.

11. What justification is there for questions of a sensitive nature?

We ask no questions of a sensitive nature.

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

This recordkeeping requirement involves usual and customary business records that the proprietor would normally maintain in the course of doing business. Therefore, in accordance with 5 CFR 1320(b), the total annual burden is estimated to be one hour. There is no change in burden from the previous submission.

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?

No new cost is associated with this collection.

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

There is no cost to the Federal government.

15. What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?

There are no program changes or adjustments associated with this collection.

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

The results of this collection will not be published.

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?

It would be inappropriate to display the expiration date for OMB approval because this is a recordkeeping requirement. Therefore, unlike the form, there is no medium to display the expiration date.

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.