

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0063

TTB REC 5150/8 Stills--Notices, Registration, and Records

A. Justification

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

Distilled spirits for non-industrial use are taxed at a rate far exceeding production cost. The illegal production of distilled spirits would result in a substantial loss of tax revenues. Therefore, stills and apparatus to be used for distilling have historically been regulated.

The law and implementing regulations have, through notice, registration, and recordkeeping requirements, established a comprehensive system for regulating stills. This information collection covers all collections of information mandated or authorized by law or regulation with respect to stills. The requirements contained in this information collection are:

- a. Notice of manufacture of still (26 U.S.C. 5101 and 27 CFR 29.47). Where deemed necessary for the protection of the revenue, we may require a manufacturer to file this letterhead notice before a still or other distilling apparatus is removed from the place of manufacture.
- b. Notice of set up of still (26 U.S.C. 5101 and 27 CFR 29.49). When deemed necessary for the protection of the revenue, we may require a manufacturer to file this letterhead notice prior to the set up of a still or other distilling apparatus for distilling purposes.
- c. Registration. Notice of change in ownership or location of a registered still or distilling apparatus (26 U.S.C. 5179 and 27 CFR 29.55). Every person who has possession, control, or custody of a still or other distilling apparatus to be used for distilling is required to register the still or distilling apparatus by describing it on the registration or permit application prescribed in title 27 of the Code of Federal Regulations, for qualification under 26 U.S.C. chapter 51. When a registered still or distilling apparatus is removed, sold, or otherwise disposed of, the registrant is required to notify us of this change by filing a letterhead notice.

d. Records (27 CFR 29.59). A manufacturer is required to maintain at the place of manufacture a copy of each notice that is filed with respect to the manufacture or set up of stills. Every manufacturer and vendor of stills is required to maintain at their premises a record with respect to all stills (including stills to be used for purposes other than distilling) manufactured, received, or removed or otherwise disposed of. No specific format is prescribed and the record may consist of usual and customary business records if the required information is shown. Records will be retained for 3 years.

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

We use the data provided by this information collection to maintain accountability and to verify the subsequent registration of stills or other distilling apparatus used or to be used for distilling purposes. We also use it to establish whether a person who intends to use a still or other distilling apparatus has qualified to conduct distilling operations and complied with other pertinent provisions of law and regulations. The potential possibility for a loss in tax revenues through the illegal production of distilled spirits would be increased substantially without this requirement for the collection of information.

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?

Given the relatively small number of respondents, and the small volume of submissions per respondent, we believe that improved information technology would not prove cost effective as a means for reducing burden. However, we have and will continue to approve, on a case-by-case basis, the use of improved information technology to reduce burden.

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 letterhead applications and notices provide information that is pertinent to each respondent and applicable to his/her specific operation. As far as we can determine, similar information is not available anywhere else.

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

The information collected is considered to be the minimum necessary to ensure compliance. The information collection burden cannot be reduced on the basis of the size of the respondent.

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?

Less frequent collection of this information would pose jeopardy to the revenue because the potential possibility for a loss in tax revenues would be increased substantially through the illegal production of distilled spirits.

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

No special circumstances are associated with this collection of information.

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

A 60-day notice was published in the Federal Register (74 FR 26920) on Thursday, June 4, 2009. The notice solicited comments from the general public. TTB received no comments in response to this notice.

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?

The confidentiality of information we obtain from regulated individuals is protected under the provisions of 26 U.S.C. 6103 and 5 U.S.C. 552.

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

We do not ask questions of a sensitive nature in this collection.

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

Burden Estimate--Based on our experience with similar collection of information requirements, the burden contained in this information collection is estimated to be--

a. Reporting:

(1) Notice of manufacture of still--

Number of respondents: 5

Number of responses per respondent: 3

Total annual responses: 15

Hours per response: 0.53
Total hours: 8

(2) Notice of set up of still—

Number of respondents: 5
Number of responses per respondent: 3
Total annual responses: 15
Hours per response: 0.53
Total hours: 8

(3) Registration; Notice of change in ownership or location of a registered still or distilling apparatus—

Number of respondents: 10
Number of responses per respondent: 1
Total annual responses: 10
Hours per response: 0.53
Total Hours: 5

The reporting burden hours are 21. Notice of manufacture of still (8) + Notice of set up of still (8) + Registration (5) = 21

b. Recordkeeping:

As provided by 5 U.S.C. 1320.7(b)(1), the time and financial resources expended in recordkeeping activities that involve usual and customary business records have been excluded from the burden. The number of respondents is 10, the number of submissions is 4 for a total of 40 responses. The amount of time it takes to collect these records is 32 minutes for a total of 21 recordkeeping burden hours.

The total burden hours for this information collection are 41. Recordkeeping (21) + Reporting (21) = Total Burden Hours (42)

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

We do not associate any cost with this collection.

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

There is no annualized 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?

This does not apply. This is a recordkeeping requirement and the records are maintained at the respondents' premises therefore, unlike the form there is no medium on which to place an expiration date.

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement. The retention period for this information collection is 3 years.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.