

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0135

Information Collection Request Title:

Specific and Continuing Export Bonds for Distilled Spirits and Wine.

Information Collections Issued under this Title:

- TTB F 5100.25, Specific Export Bond—Distilled Spirits or Wine.
- TTB F 5100.30, Continuing Export Bond—Distilled Spirits and Wine.

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, as amended, (IRC, 26 U.S.C.) 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 has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120–01.

The IRC, at 26 U.S.C. 5214, authorizes the withdrawal of distilled spirits from the bonded premises of a distilled spirits plant, without payment of excise tax, for exportation, use on certain vessels or aircraft, transfer to a foreign trade zone, or transfer to a customs bonded warehouse pending exportation, subject to such regulations as the Secretary may prescribe. The IRC, at 26 U.S.C. 5175, requires exporters, other than proprietors of distilled spirits plants, who withdraw distilled spirits from such plants without payment of tax for exportation or transfer to a customs bonded warehouse to furnish a bond to cover such withdrawal, under such regulations as the Secretary may prescribe. In addition, the IRC, at 26 U.S.C. 5362(c), provides for the withdrawal of wine from bonded wine cellars, without payment of excise tax, for exportation, use on certain vessels or aircraft, transfer to a foreign trade zone, or transfer to a customs bonded warehouse pending exportation, under “such regulations and bonds” as the Secretary finds necessary to protect the revenue.

Under the authority of the IRC sections noted above, the TTB alcohol export regulations in 27 CFR part 28 allow the withdrawal of distilled spirits (§ 28.91) and wine (§ 28.121) from bonded premises, without payment of tax, for exportation, for use on certain vessels or aircraft, or for transfer to and deposit in a foreign trade zone or customs bonded warehouse

pending exportation (these various actions are hereafter collectively referred to as “exportation”). To protect the revenue, the part 28 regulations also require distilled spirits and wine exporters, other than bonded proprietors of such premises, to furnish an export bond. To provide such exporters with a degree of flexibility based on individual need, the part 28 regulations allow respondents to file either a specific bond using TTB F 5100.25 to cover a single export shipment (§ 28.61) or a continuing bond using TTB F 5100.30 to cover multiple export shipments made over time from specified premises (§ 28.62).

This information collection is aligned with —

- Line of Business/Sub-function: General Government/Taxation Management.
- IT Investment: None.

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

Personnel at TTB’s National Revenue Center (NRC) examine export bonds provided on TTB F 5100.25 or F 5100.30 to insure the amount of the bond is adequate to cover the excise tax liability on the distilled spirits and wine withdrawn from bonded premises by respondents for exportation. These bond forms are retained by the NRC until the exportation of the distilled spirits and/or wine is completed and verified (through other information collection requirements) and no excise tax liability remains.

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 5100.25 and F 5100.30 are available to the public at no cost on the TTB website at <https://www.ttb.gov/forms/5000.shtml>.

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 5100.25 and F 5110.30 collect information pertinent to each respondent and applicable to the specific issue of protecting the Federal alcohol excise tax liability on distilled spirits and wine withdrawn from bonded premises, without payment of tax, for exportation from the United States by exporters other than proprietors of bonded premises. 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?

Regardless of size, exporters of distilled spirits and/or wine, other than proprietors of distilled spirits plants and bonded wine cellars, are required by statute or regulation to provide an export bond when they withdraw such products from bonded premises, without payment of tax, for exportation. Waiver or reduction of this requirement, simply because the respondent’s business is small, would jeopardize the revenue. However, to provide distilled spirits or wine exporters with flexibility in meeting this bond requirement based on their

individual needs, TTB notes that its regulations allow such exporters to file either a specific bond on TTB F 5100.25 to cover a single shipment or a continuing bond on TTB F 5100.30 to cover multiple shipments made over time from specified premises.

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?*

Respondents subject to this information collection requirement file an export bond only on an as-needed basis. Not requiring export bond coverage for distilled spirits and/or wine removed by a person other than a proprietor of a bonded distilled spirits plant or bonded wine cellar is contrary to statutory and regulatory requirements 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.*

To solicit comments from the general public, TTB published a “60-day” comment request notice for this information collection in the Federal Register on January 2, 2018, at 83 FR 205. 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 collection.

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

No specific assurance of confidentiality is provided on the two export bond forms. 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 tax returns and related information unless disclosure is specifically authorized by that section. TTB maintains these records in secure file rooms and computer systems with controlled access.

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 an electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this collection.

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

Based on recent experience, TTB estimates that 10 respondents will complete the specific export bond form, TTB F 5100.25, once per year and that 10 respondents will complete the continuing export bond form, TTB F 5100.30, once per year, for a total of 20 annual respondents and 20 annual responses to this information collection request. TTB further estimates that each of the 20 respondents will require 1 hour per response to respond, resulting in an estimated total annual burden of 20 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)?*

There is no annual cost burden to respondents associated with this information collection.

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

There is no annualized cost to the Federal Government associated with this information collection.

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

Program changes: When TTB first submitted this information collection request for OMB approval in 2014, as explained in the submission's Supporting Statement, TTB intended to seek approval of the Specific Export Bond for Distilled Spirits and Wine information collection and its associated collection instrument, TTB F 5100.25, Specific Export Bond—Distilled Spirits or Wine. While TTB did attach the correct form to its approval request, TTB inadvertently titled the information collection request, its one information collection, and the collection instrument as "Continuing Export Bond for Distilled Spirits and Wine."

TTB notes that, at the time, it had determined that the Specific Export Bond was subject the approval requirements of the Paperwork Reduction Act but that the Continuing Export Bond was not since it was considered to be a certification. However, for reasons of consistency and transparency, TTB now believes that it should include both the "specific" and "continuing" export bonds for distilled spirits and/or wine in this information collection request since the same set of alcohol beverage exporters may optionally use either type of bond. Therefore, due to this program change as a matter of agency discretion, TTB is now

including two information collections within this information collection request: (1) Specific Export Bond for Distilled Spirits or Wine, with TTB F 5100.25 as its collection instrument, and (2) Continuing Export Bond for Distilled Spirits and Wine, with TTB F 5100.30 as its collection instrument.

Due to this program change and based on TTB's recent experience, TTB estimates that the addition of the Continuing Export Bond for Distilled Spirits and Wine information collection to this approval request will result in the addition of 10 respondents, 10 responses, and 10 hours (1 hour per response) to this information collection request's annual burden.

Adjustments: For the currently-approved information collection and instrument, Specific Export Bond for Distilled Spirits or Wine (TTB F 5100.25), due to a change in agency estimate, the Bureau is increasing the burden associated with the Specific Export Bond portion of this information collection request. Based on TTB's recent experience, TTB is increasing the number of annual respondents to that portion of this collection request from 6 to 10, with each respondent making 1 response for a total of 10 annual responses. TTB also is increasing the reported per-burden response from 15 minutes to 1 hour, which is the per-response burden stated on the Specific Export Bond form, which results in an increase in the estimated annual burden from 2 to 10 hours. Together with the addition of the "continuing" export bond information collection, the annual burden for the entire information collection request increases from 6 responses to 20, from 6 responses to 20, and from 2 hours to 20.

In addition, for clarity, TTB is revising the title of this information collection to read "Specific and Continuing Export Bonds for Distilled Spirits and Wine." TTB also is making minor clarifications to each form's instructions regarding where certain Treasury Department surety-related information may be found online, and TTB is adding 26 U.S.C. 5214 and 5362 to the authority citation for this information collection in each form's Paperwork Reduction Act Notice.

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 forms TTB F 5100.25 and TTB F 5100.30.

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 collection does not employ statistical methods.