

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0031

Specific and Continuing Transportation Bonds—Distilled Spirits or Wines Withdrawn for Transportation to Manufacturing Bonded Warehouse, Class Six

Information Collection Instruments Issued under this Title:

- TTB F 5100.12, Specific Transportation Bond – Distilled Spirits or Wines Withdrawn for Transportation to Manufacturing Bonded Warehouse – Class Six.
- TTB F 5110.67, Continuing Transportation Bond – Distilled Spirits and Wines Withdrawn for Transportation to Manufacturing Bonded Warehouse – Class Six.

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 (Secretary) has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Order 120–01.

The customs laws at 19 U.S.C. 1311 provide that materials subject to an internal revenue tax—such as distilled spirits and wine—may be transferred without payment of tax to a manufacturing bonded warehouse for use in the manufacture of products for export if a bond is provided to ensure “faithful observance” of the relevant laws and regulations. In addition, the IRC at 26 U.S.C. 5214(a) authorizes transfer of distilled spirits from a distilled spirits plant to a manufacturing bonded warehouse without payment of tax, while section 5175 requires bonds for such transfers. The IRC at 26 U.S.C. 5362(c) also authorizes transfer of wine from a bonded premises to a manufacturing bonded warehouse without payment of tax. Each of those IRC sections additionally authorizes the Secretary to issue regulations concerning such transfers and their required bonds.

Under those statutory authorities, in order to protect the revenue while providing proprietors of manufacturing bonded warehouses with a degree of flexibility based on individual need, the TTB alcohol export regulations in 27 CFR part 28 allow such proprietors to file either a specific transportation bond to cover a single distilled spirits or wine shipment from a bonded

distilled spirits plant or wine premises to their warehouse, or a continuing transportation bond to cover multiple shipments of distilled spirits or wine made over time. Specifically, the TTB regulations requiring the filing of transportation bonds are found in §§ 28.25 and 28.51. The TTB regulations regarding the preparation and filing of a specific transportation bond using form TTB F 5100.12 are found in § 28.63, while the regulations governing the preparation and filing of a continuing transportation bond using form TTB F 5110.67 are found in § 28.64.

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?

Proprietors of manufacturing bonded warehouses file either a specific transportation bond using TTB F 5100.12 or a continuing transportation bond using TTB F 5110.67 when they withdraw distilled spirits or wine, without payment of tax, from a distilled spirits plant or wine premises for transfer to their bonded warehouse. Personnel at TTB's National Revenue Center (NRC) examine the information and the bond amount provided on those forms to ensure that there is no jeopardy to the revenue as a result of such transfers of non-taxpaid distilled spirits or wine. The NRC retains the bond forms until the transfer of the distilled spirits or wine is complete and no tax liability on the part of the manufacturing bonded warehouse proprietor 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 5100.12 and TTB F 5110.67 are available as fillable-printable forms on the TTB website at <https://www.ttb.gov/resources/publications/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?

The bonds filed on forms TTB F 5100.12 and TTB F 5110.67 require information pertinent to each proprietor of a manufacturing bonded warehouse and are applicable to the specific issue of protecting the Federal excise tax liability on distilled spirits and wine while those commodities are transferred from a distilled spirits plant or wine premises, without payment of tax, to such a warehouse. As far as TTB can 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?

All proprietors of manufacturing bonded warehouses, regardless of size, are required by 27 CFR part 28 to file a transportation bond using either TTB F 5100.12 or TTB F 5110.67 when transferring distilled spirits or wine without payment of tax from a distilled spirits plant or wine premises to their warehouses. Waiver or reduction of this requirement, simply because the respondent's business is small, could result in diversion of non-taxpaid alcohol beverages to taxable uses, which would jeopardize to the revenue.

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?*

Not requiring bond coverage for the transfer of distilled spirits and wine, without payment of tax, to a manufacturing bonded warehouse is contrary to statutory and regulatory requirements. If TTB were to eliminate the requirement for a bond, the Federal excise tax liability on distilled spirits and wine in transit to manufacturing bonded warehouses would be unprotected. In addition, respondents may file a continuing transportation bond covering multiple transfers or may file a specific transportation bond covering a single transfer. Therefore, because respondents complete either of those bond forms only when making such transfers, the frequency of this information 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).)*

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 Monday, November 18, 2019, at 84 FR 63716. 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?*

No specific assurance of confidentiality is provided on TTB F 5100.12 or TTB F 5110.67. 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 the required bond forms in secure file rooms 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 burden of this collection of information?*

Hour burden: Based on recent experience, TTB estimates that 25 respondents will each file one specific transportation bond annually using form TTB F 5100.12, and that an additional 25 respondents will each file one continuing transportation bond annually using form TTB F 5110.67, for a total of 50 annual responses to this information collection. TTB further estimates that each response requires one hour to complete, for an estimated total annual burden of 50 hours for this information collection.

Recordkeeping: Per the TTB regulations at 27 CFR 28.45, respondents must maintain file copies of any form required under part 28 for a period of not less than two years.

Labor cost burden: TTB estimates the per-response and total labor cost burden for this information collection as follows:

Labor Category	Fully-loaded Labor Rate/Hour ¹	Time/Response	Labor Cost/Response	Total Labor Costs for 50 Annual Responses
Clerical & other unskilled workers	\$27.30	0.5 hour	\$13.65	\$682.50
Professional & managers	\$44.30	0.5 hour	\$22.15	\$1107.50
TOTALS	(\$35.80)	1 hour	\$35.80	\$1,790.00

¹ Fully-loaded Labor Rate/Hour = Hourly wages plus benefits. 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 312000—Beverage and Tobacco Product Manufacturing, TTB estimates the fully-loaded labor rate for respondents as follows: (1) Clerical and other unskilled workers (Office and Administrative Support Occupations) = \$27.30 per hour (\$18.96 wages and \$8.34 benefits); and (2) Professional and managers (Business and Financial Operations Occupations) = \$44.30 per hour (\$30.76 wages and \$13.54 benefits). See: https://www.bls.gov/oes/current/naics3_312000.htm and <https://www.bls.gov/news.release/ecec.t04.htm>.

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)?*

This information collection requires only very occasional submission of a statutorily-required bond to TTB. As such, this collection imposes no annualized capital, start-up, maintenance, operational, or other costs to respondents. However, TTB estimates that respondents have postal and mailing supply costs of up to \$2.00 per response, for a total of up to \$100.00 for 50 annual responses.

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

TTB estimates the annual costs to the Federal Government for this information collection as follows:

Category	Cost per Response	Total Costs for 50 Annual Responses
Overhead	\$1.00	\$50.00
Clerical costs* (GS-5, step 5)	\$3.21	\$160.50
Review costs* (GS-12, step 5)	\$28.24	\$1,412.00
TOTALS	\$32.45	\$1,622.50

*Federal Government Fully-loaded Labor Rate = Hourly wage plus benefits; calculated as hourly wage x 1.63. Therefore, in the Cincinnati, Ohio, locality pay area: (1) GS-5, step 5, clerical worker hourly wage of \$19.71 x 1.63 = \$32.13 fully loaded labor rate (benefits = \$12.42 per hour) @ 6 minutes per response; and (2) GS-12, step 5, reviewer hourly wage of \$43.32 x 1.63 = \$70.61 per hour (benefits = \$27.29 per hour) @ 12 minutes per response. See <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/general-schedule/> and <https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/workingpaper/2012-04fedbenefitsswp0.pdf>.

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate due to the availability of TTB forms to the public on the TTB Web site at <https://www.ttb.gov/resources/publications/forms>.

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

There are no program changes or burden hour adjustments to this information collection, and TTB is submitting it for extension purposes only. Due to a change in agency estimates, TTB is now accounting for the postal and mailing supply costs associated with this information collection.

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 for OMB approval of this information collection on its related forms, TTB F 5100.12 and TTB F 5110.67.

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.