

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0098

Supporting Data for Nonbeverage Drawback Claims

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 revising the estimated annual burden and respondent labor costs associated with this information collection.
- In Question 15, TTB notes the current adjustment made to the estimated burden 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, 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 (IRC, 26 U.S.C.). TTB administers those 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, the IRC at 26 U.S.C. 5001(a)(1) imposes Federal excise tax on each proof gallon of distilled spirits produced in or imported into the United States. However, under the IRC at 26 U.S.C. 5111-5114 and 7652(g), persons using taxpaid distilled spirits to produce medicines, medicinal preparations, food products, flavors, flavoring extracts, or perfume may claim drawback (refund) of all but \$1.00 per proof gallon of the tax paid on the distilled spirits used to make such nonbeverage products, subject to regulations issued by the Secretary "to secure the Treasury against frauds."

Under that IRC authority, the TTB regulations in 27 CFR require respondents to file drawback claims using form TTB F 5620.8, Claim—Alcohol and Tobacco Taxes, which is approved separately under OMB control number 1513-0030.

Specific to this information collection, which is approved under OMB control number 1513–0098, the TTB regulations in 27 CFR 17.147 require nonbeverage product drawback claimants to also file certain supporting data with their claims. Under § 17.182, druggists using taxpaid distilled spirits to compound prescriptions must also provide supporting data for their nonbeverage drawback claims. In addition, under 27 CFR 26.173(c) and 26.309(c) respondents must file supporting data for nonbeverage product drawback claims involving eligible articles brought into the United States from Puerto Rico and the Virgin Islands, respectively. Under those regulations, respondents may file the required supporting data using form TTB F 51542, Supporting Data for Nonbeverage Drawback Claims, or by using another suitable format that supplies the same information. The required supporting data includes the names and formulas of the nonbeverage products produced during the period in question, and the amount of distilled spirits received, used, and recovered in the production of the named products.

Collection of the required supporting data for nonbeverage product drawback claims is necessary to protect the revenue, as it allows TTB to verify the validity of excise tax drawback claims for nonbeverage products. Without such verification, substantial losses of excise tax revenue could occur due to fraudulent or mistaken nonbeverage product drawback claims or for claims made for taxpaid spirits used to manufacture taxable beverage products.

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?

TTB uses the collected information to protect the revenue. TTB personnel use the supporting data filed with nonbeverage product drawback claims to verify the validity and accuracy of such claims by ensuring that all of the distilled spirits contained in or used in the production of nonbeverage products eligible for drawback is accounted for, and that such drawback is paid only in the amount and for the purposes authorized by law.

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?

Currently, TTB F 5154.2 is available as a fillable-printable form on the TTB website at <https://www.ttb.gov/public-information/forms>. After downloading and completing that form, respondents may upload and electronically submit the completed support data form to TTB as part of their nonbeverage product drawback claim via the Online Claims Submission portal on the TTB website (<https://my.ttb.gov/nrc-claims-submission/claim-form>).

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 supporting data for nonbeverage product drawback claims required under this collection provides information that is pertinent to each respondent and applicable to their specific claim. 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?*

In order to protect the revenue, TTB requires all nonbeverage product drawback claimants, regardless of size, to submit the required supporting data for such claims. TTB cannot waive this requirement simply because the respondent's business is 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?*

Not collecting the required supporting data for nonbeverage product drawback claims, or requiring less frequent collection of the information, would jeopardize the revenue. Without the required supporting data, TTB would not be able to verify the validity and accuracy of such drawback claims, which could allow fraudulent or miscalculated claims to be paid.

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 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 public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on January 30, 2026, at 91 FR 41840. 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. However, Federal law at 5 U.S.C. 552(b)(4) 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 the IRC. TTB maintains the collected information in secure office space 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 request does not collect personally identifiable information (PII) in an 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 burden of this collection of information?

Estimated Respondent Burden: Based on recent data, TTB estimates that 280 respondents will submit an average of 6.2 nonbeverage product drawback claims annually that will include the supporting data required under this information collection, for a total of 1,736 responses. TTB also estimates that respondents require 58 minutes to complete each response, resulting in a total estimated annual burden of 1,678 hours.

Estimated Respondent Labor Costs: TTB estimates the annual per-respondent and total respondent labor costs for this information collection as follows:

Average Fully-Loaded Wage for Accountants and Auditors in the Pharmaceutical and Medicine (NAICS 325400) and the Soap, Cleaning Compound, and Toilet Preparation (NAIC 325600) Manufacturing Industries = \$68.59¹					
Avg. Time / Response	Labor Cost / Response*	Responses / Respondent	Labor Costs / Respondent	Total Respondents	Total Labor Costs
58 minutes	\$66.30	6.2	\$411.06	280	\$115,096.80

* Labor costs rounded to the nearest whole cent.

Record retention: Under 27 CFR 17.170, domestic respondents must maintain copies of all nonbeverage product drawback claims and supporting data for a period of not less than 3 years, and § 17.171 requires respondents to retain such records at their premises, subject to TTB inspection during regular business hours. For Puerto Rico and the U.S. Virgin Islands, 27 CFR 26.174 and 26.310 respectively require respondents to maintain copies of all drawback claims and supporting data at their premises for a period of not less than 3 years, subject to TTB inspection during regular business 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)?

TTB does not believe respondents bear any annual non-labor costs for this information collection because they generate the required supporting data for nonbeverage drawback claims from tax and formula records required under other collections and from usual and

¹ Private sector fully-loaded labor rate = Hourly wage rate x a factor of 1.44 to account for 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, the averaged fully-loaded labor rate for Accountants and Auditors in the Pharmaceutical and Medicine (NAICS 325400) and the Soap, Cleaning Compound, and Toilet Preparation (NAIC 325600) Manufacturing Industries, is \$68.59, based on respective hourly wages of \$50.69 and \$44.57. See <https://data.bls.gov/oes/#/industry/3250A2> and <https://data.bls.gov/oes/#/industry/325400>.

customary production records kept during the normal course of business, which, under Office of Management and Budget (OMB) regulations at 5 CFR 1320.3(b)(2), impose no additional costs on respondents. In addition, because the supporting data required under this information collection is submitted as an attachment to TTB F 5620.8, Claim—Alcohol and Tobacco Taxes, which is approved separately under OMB control number 1513–0030, respondent mailing costs are accounted for under that control number.

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

Because the supporting data required under this information collection is submitted as an attachment to TTB F 5620.8, Claim—Alcohol and Tobacco Taxes, which is approved separately under OMB control number 1513–0030, TTB accounts for its labor and other costs for processing all drawback claims, including the supporting data for nonbeverage drawback claims, under that control number. In addition, TTB printing and distribution costs for this collection have decreased to \$0.00 due to the availability of its forms to the public on the TTB Web site at <https://www.ttb.gov/public-information/forms>.

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

There are no program changes to this information collection at this time, and TTB is submitting it for extension purposes only. As for adjustments, due to changes in agency estimates, TTB is decreasing this collection's estimated number of annual respondents (from 500 to 280), total number of annual responses (from 2,000 to 1,736), and total annual burden hours (from 1,933 to 1,678). However, TTB is increasing the estimated average number of annual responses per respondent, from 4 to 6.2. The average burden per response, 58 minutes, remains the same as previously reported.

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 include the expiration date for OMB approval of this information collection on its related form, TTB F 5154.2, Supporting Data for Nonbeverage Drawback Claims.

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.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.