

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0072

Applications and Notices—Manufacturers of Nonbeverage Products (TTB REC 5530/1)

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 burden and respondent labor costs associated with this information collection.
- In Question 13, TTB is revising its estimate of the non-labor costs to respondents for this information collection.
- In Question 14, TTB is revising its estimated labor costs 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, wines, 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 these 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 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, 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 excise tax paid on the spirits used to make such nonbeverage products, subject to regulations issued by the Secretary “to secure the Treasury against frauds.”

Under those IRC authorities, the TTB regulations in 27 CFR part 17 require manufacturers to submit certain letterhead applications and notices to TTB regarding their use of distilled

spirits in the production of nonbeverage products eligible for drawback. The required applications, which require TTB approval, cover nonbeverage activities that present significant jeopardy to the revenue, while the required notices, which do not require TTB approval, cover activities that present less jeopardy to the revenue.

The collected information is necessary to protect the revenue as it ensures that TTB provides distilled spirits excise tax drawback only to industry members eligible for such refunds under the IRC, and it ensures that the nonbeverage product activities of respondents comply with the IRC and TTB regulations.

The following regulations in 27 CFR Part 17, Drawback on Taxpaid Distilled Spirits Used in Manufacturing Nonbeverage Products, contain the application and notice requirements covered under this information collection:

17.3	17.111	17.112	17.122	17.123	17.124
17.125	17.126	17.127	17.143	17.167	17.168
17.183	17.187.				

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 personnel use the collected information to protect the revenue as it allows TTB to verify that nonbeverage manufacturers making distilled spirits drawback claims are in fact eligible for such refunds under the IRC. In addition, TTB staff use the collected information to ensure that such manufacturers comply with the IRC statutory and TTB regulatory provisions governing nonbeverage product activities.

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?

The letterhead applications and notices covered under this information collection are generated by respondents, which, at their discretion, may use improved information technology to do so.

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 required applications and notices contain information pertinent to each respondent and applicable to their use of distilled spirits in the manufacture of specific nonbeverage products eligible for distilled spirits excise tax drawback. As far as TTB is able to 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?

All entities claiming tax drawback, regardless of size, are required by 27 CFR part 17 to submit the required applications and notices regarding the manufacture of nonbeverage alcohol products. Waiver or reduction of this requirement, simply because the respondent's business is small, would jeopardize 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?*

TTB considers the required applications and notices to be the minimum necessary to ensure compliance with the IRC and the TTB regulations regarding the manufacture of nonbeverage products using distilled spirits eligible for tax drawback and their related drawback claims. Less frequent collection of this information 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 public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on January 30, 2026, at 91 FR 4180. 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 that section. 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 hour burden of this collection of information?*

Estimated Burden Hours: Based on recent data, TTB estimates that 30 nonbeverage product manufacturers will file one application or notice under this information collection per year, for a total of 30 annual responses, and that each response will require 30 minutes (0.5 hour) to complete. Therefore, TTB estimates that the total annual burden for this information collection is 15 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 Compliance Officers in the Pharmaceutical and Medicine (NAICS 325400) and the Soap, Cleaning Compound, and Toilet Preparation (NAIC 325600) Manufacturing Industries = \$62.55^{1*}					
Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent	Total Respondents	Total Respondent Labor Costs
30 minutes	\$31.28	1	\$31.28	30	\$938.40

* Fully-loaded labor costs rounded to the nearest whole cent unless otherwise noted.

Record retention: Under 27 CFR 17.170, respondents maintain record copies of approved letterhead applications and record copies of submitted letterhead notices for as long as the approved or noticed activity or operation is in use and for 3 years thereafter.

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)?*

Respondents do not have any non-labor costs for this occasional, as-needed information collection, other than mailing supply and postage costs. TTB estimates that each of the 30 annual respondents to this collection has \$2.00 in such costs for their one response. This results in \$60.00 in annual mailing supply and postage costs for this information collection.

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 Compliance Officers in the Pharmaceutical and Medicine (NAICS 325400) and the Soap, Cleaning Compound, and Toilet Preparation (NAIC 325600) Manufacturing Industries, is \$62.55, based on an averaged hourly wage of \$43.44. See the Bureau of Labor Statistics Occupational Employment and Wage Statistics at <https://data.bls.gov/oes/#/325400> and <https://data.bls.gov/oes/#/3250A2> (covers NAIC 325600).

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

General costs: There are no printing, distribution, or other overhead costs to TTB for this information collection, which consists of respondent-generated letterhead applications and notices. However, TTB replies to each submitted letterhead application via U.S. mail, with each response costing no more than \$2.00 in mailing supply and postage costs. As such, TTB estimates its non-labor costs for this collection to be \$30.00 for the 15 annual letterhead applications submitted under this collection. The remaining 15 responses consist of letterhead notices, which do not require a TTB response in return.

Labor costs: Technicians or specialists at TTB's National Revenue Center process and, if necessary, respond to the letterhead applications and notices submitted under this information collection. As such, TTB estimates the annualized labor costs to the Federal Government for this information collection as follows:

Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio, for OMB No. 1513-0072					
Position	Fully-loaded Labor Rate per Hour ²	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-7, Step 5, Technician	\$46.52	2 hours	\$93.04	15	\$1,395.60
GS-11, Step 5, Specialist	\$68.85	2 hours	\$137.70	15	\$2,065.50
TOTALS	(\$57.685)	2 hours	(\$115.37)	30	\$3,461.10

* TTB fully-loaded labor rates are rounded to the nearest whole cent.

Total Costs: Given its general and labor costs, TTB estimates the total cost to the Federal government for this information collection to be **\$3,491.10**.

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 resulting from improved data collection, TTB is decreasing the estimated number of respondents, responses per respondent, total responses, and burden hours for this collection, from 350 respondents to 30, 2 responses per respondent to 1, 700 total responses to 30, and 350 hours to 30.

² Federal Government Fully-loaded Labor Rate = Hourly wage rate x 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) hourly wage data, the fully-loaded labor rates for Federal employees in the Cincinnati, Ohio, wage area are: (1) \$46.52 for GS-7 (step 5), based on an hourly wage of \$28.54; and (2) \$68.85 for GS-11 (step 5), based on an hourly wage of \$42.24. See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2026/CIN_h.pdf.

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?

This information collection consists of letterhead applications and notice generated by respondents. As such, there is no prescribed TTB form for this information collection and thus there is no medium for TTB to display the collection's OMB approval expiration date.

18. *What are the exceptions to the certification statement?*

(c) See item 5 above.

(i) No statistics are involved.

(j) See item 3 above.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.