

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0011

Formula and/or Process for Article Made With Specially Denatured Spirits

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 Questions 12, 13, and 14, TTB is revising, respectively, the annual estimated respondent burden and labor costs, the respondent non-labor costs, and costs to the Federal Government associated with this information collection.
- In Question 15, TTB explains the changes to the respondent burden estimates for this 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, under the IRC at 26 U.S.C. 5214, distilled spirits used in the manufacture of nonbeverage articles are not subject to Federal excise tax.¹ However, under the IRC at 26 U.S.C. 5273, persons who intend to produce such articles using specially denatured distilled spirits (SDS) must obtain prior approval of their formulas and manufacturing processes. For medicinal preparations and flavoring extracts intended for internal human use, section 5273 also prohibits SDS from remaining in the finished articles.

Under that IRC authority, the TTB regulations in 27 CFR Part 20, Distribution and Use of Denatured Alcohol and Rum, require persons intending to manufacture nonbeverage

¹ Nonbeverage articles include medicines, medicinal preparations, food products, flavors, flavoring extracts, and perfume that are unfit for beverage purposes.

articles with SDS to file the IRC-required formula and statement of process approval requests for such products using TTB F 5150.19, Formula and/or Process for Article Made With Specially Denatured Spirits. Specifically, those regulations are found at 27 CFR 20.91 through 20.94, 20.100, and 20.101. Those regulations also allow TTB to require samples of the articles or ingredients, require TTB approval of certain changes to formulas, allow TTB to place restrictions on articles and their sale, and specify what information TTB requires for formula ingredients containing ethyl alcohol. (TTB notes that the part 20 regulations exempt certain “general use” formulas for SDS articles from these formula submission requirements; see 27 CFR 20.111 through 20.124.)

The collected information is necessary to ensure that the provisions of the IRC regarding specially denatured spirits are appropriately applied.

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?

To ensure compliance with the relevant provisions of the IRC and the TTB regulations, TTB laboratory personnel examine submitted formulas and statements of process to ensure that articles manufactured with SDS are, in fact, nonbeverage products made in compliance with 26 U.S.C. 5273. In addition, TTB field personnel may compare manufacturing records with approved SDS formulas and processes to ensure that respondents are manufacturing nonbeverage articles in accordance with the relevant TTB approvals.

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?

Respondents may electronically complete and submit the formula and process information required under this collection using TTB’s Formulas Online (FONL) system; see the TTB website at <https://www.ttb.gov/regulated-commodities/formulation/customer-support>. In addition, TTB F 5150.19 is available as a fillable/printable form on the TTB Web site at <https://www.ttb.gov/public-information/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?

This collection provides TTB with information that is pertinent to each respondent and applicable to their specific nonbeverage article formula and production process. 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?

Under the IRC at 26 U.S.C. 5273, all entities, regardless of size, that produce nonbeverage articles using SDS must have the formulas and processes used to make such articles approved by TTB, except for products that use the general-use formulas approved by regulation (see 27 CFR 20.111 through 20.124).

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 submit this information collection only as necessary to request TTB approval of new or certain amended formulas and statements of process for nonbeverage articles made with SDS, and, as such, this collection cannot be conducted less frequently. In addition, without the collected formula and process information, persons manufacturing such articles would have no means of complying with the formula approval requirement of the IRC at 26 U.S.C. 5273, and TTB would not be able to verify that such articles are being manufactured in compliance with the IRC.

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?*

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 one comment noting this collection's related form number, TTB F 5150.19, but the comment merely consisted of an attached copy of the January 30th Federal Register notice.

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?*

Under 5 U.S.C. 552(b)(4), all formulas, samples, and statements of process submitted by respondents under this collection are considered trade secrets protected from public disclosure under the Freedom of Information Act, and TTB F 5150.19 and FONL display a statement to that effect. In addition, 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 requirement contains no questions of a sensitive nature, and it

does not collect personally identifiable information (PII) in a Government 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 Respondent Burden: Based on recent data, TTB estimates the annual respondent burden for this information collection as follows:

Format	Respondents	Responses/ Respondent	Responses	Time Per Response	Burden Hours
F 5150.19 (Paper)	5	1	5	0.9 hour	4.5 hours
FONL (Online)	55	1	55	0.6 hour	33.0 hours
Totals	60	1	60	0.625 hour	37.5 hours

Estimated Respondent Labor Costs: TTB estimates respondent labor costs for this information collection as follows:

Average Fully-Loaded Wage for Chemists in the Pharmaceutical and Medicine (NAICS 325400) and the Soap, Cleaning Compound, and Toilet Preparation (NAIC 325600) Manufacturing Industries = \$59.76^{2*}						
Format	Avg. Time / Response	Labor Cost / Response	Responses / Respondent	Labor Costs / Respondent*	Total Respondents	Total Labor Costs
F 5150.19 (Paper)	0.9 hour	\$53.78	1	\$53.78	5	\$268.90
FONL (Online)	0.6 hour	\$35.86	1	\$35.86	55	\$1,972.08
TOTALS	0.625 hours	\$37.35	1	\$37.35	60	\$2,240.98

* Labor costs rounded to the nearest whole cent.

Record retention: Under 27 CFR 29.91, respondents maintain formula and statement of process approvals for as long as they use the approval formula or process, and they may submit discontinued or obsolete formulas or processes to TTB for cancellation.

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)?*

² The Fully-loaded Labor Rate = Hourly wage rate + benefit costs, which, for the private sector, is calculated as hourly wage x 1.44. 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 wage for Chemists (19–2031) in the Pharmaceutical and Medicine (NAICS 325400) and the Soap, Cleaning Compound, and Toilet Preparation (NAIC 325600) Manufacturing Industries, is \$59.76 (based on respective mean hourly wages of \$42.11 and \$40.89). See <https://data.bls.gov/oes/#/industry/325400> and <https://data.bls.gov/oes/#/industry/3250A2>.

Nonbeverage product manufacturers develop product formulas and production processes during the normal course of business, and, as such, TTB believes that there are no start-up, capital, or ongoing costs to respondents for this information collection.

As for postage and mailing supply costs for sending product samples (and, if used, paper forms, to TTB, respondent costs are estimated as follows:

Postal Cost per Response	Responses / Respondent	Total Costs / Respondent	No. of Respondents	Total Postal Costs
\$20.00	1	\$20.00	60	\$1,200.00

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

TTB estimates its annual labor costs for this information collection as follows:

Labor Costs for TTB Laboratory Personnel (Washington, DC Pay Area) for OMB No. 1513-0021*					
Position	Fully-loaded Labor Rate/Hour ³	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-9, Step 5 Legal Instrument Examiner	\$62.51	0.2 hour	\$12.50	60	\$750.00
GS-13 Chemist	\$107.81	3.2 hours	\$344.99		\$20,699.40
GS-15 Deputy Director	\$149.85	0.1 hour	\$14.99		\$899.40
TOTALS	(\$106.42285)	3.5 hours	\$372.48	60	\$22,348.80

* Labor costs rounded to the nearest whole cent unless otherwise noted.

In addition, TTB estimates an average of \$10.00 in overhead and laboratory supply costs for each non-beverage formula and process statement submission it reviews, for a total of \$600.00 in such costs for the estimated 60 annual responses. However, TTB's printing and distribution costs for this collection have decreased to \$0.00 in due to the availability of its forms to the public on the TTB website's forms page at <https://www.ttb.gov/public-information/forms>. As such, total cost to the Federal Government for this information collection is **\$22,948.80**.

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

³ 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) Federal hourly wage data, the fully-loaded labor rates for the Washington, DC wage area are \$53.22 for a GS-9, step 5, employee, and \$120.85 for a GS-15, step 5, employee. For TTB chemists, TTB calculates the average fully loaded labor rate as \$78.32, as the TTB Nonbeverage Laboratory employs 1 GS-9, 1 GS-11, 4 GS-12, 1 GS-13, and 1 GS-14 chemists. At the step 5 level for each of those GS grades, the average fully-loaded wage rate for those employees is \$78.32. See the OPM website at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf.

There are no program changes associated with this 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 its estimate of: (1) the number of annual respondents, from 105 to 60; (2) the average number of responses per respondent, from 2 to 1; (3) the total number of responses, from 210 to 60; and (4) the total annual burden hours, from 138 to 37.5. Also, due to an increase in the use of FONL by respondents, TTB estimates that the per-response burden has decreased from 0.6571 hours to 0.625 hours.

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 TTB F 5150.19.

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.