

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0061

Letterhead Applications and Notices Relating to Denatured Spirits, TTB REC 5150/2

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 and 14, TTB is updating, respectively, the estimated respondent labor costs and costs to the Federal Government associated with 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 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 imposes Federal excise tax on distilled spirits produced in or imported into the United States. However, under the IRC at 26 U.S.C. 5214, denatured spirits (alcohol to which denaturants have been added to render it unfit for beverage purposes) may be withdrawn from distilled spirits plants free of tax for specified industrial uses, including the manufacture of certain nonbeverage household and personal products. Since it is possible to recover taxable beverage alcohol from denatured spirits and articles made with denatured spirits, the IRC at 26 U.S.C. 5271-5275 also sets forth provisions related to such spirits and articles, including permit and bond requirements for dealers and users of denatured spirits, and requirements for the sale, use, and recovery of denatured spirits.

Under those IRC authorities, the TTB regulations in 27 CFR Part 20, Distribution and Use of Denatured Alcohol and Rum, require specially denatured spirits (SDS) dealers and nonbeverage product manufacturers that use or recover SDS to apply for and obtain a permit. Those part 20 regulations also require such permit holders, and non-permit holders

that engage in trade involving large quantities of completely denatured spirits (CDS), to submit letterhead applications or notices to TTB regarding certain changes to their permit information, use of alternate methods and emergency variations, adoption or use of certain formulas, losses in transit, and other specified matters. In general, denatured spirits activities posing greater jeopardy to the revenue require respondents to submit and receive TTB approval of a letterhead application before beginning the activity, while such activities posing less jeopardy to the revenue require submission of a letterhead notice informing TTB that the activity will be undertaken.

The following TTB regulations in 27 CFR part 20 contain letterhead application or notice reporting requirements relating to denatured distilled spirits approved under this information collection:

- 20.22 Alternate Methods or Procedures, and Emergency Variations From Requirements.
- 20.56 Changes Affecting Applications and Permits.
- 20.57 Automatic Termination of Permits.
- 20.60 Change in Name of Permittee.
- 20.61 Change in Trade Name.
- 20.62 Change in Location.
- 20.63 Adoption of Formulas and Statement of Process.
- 20.68 Notice of Permanent Discontinuance.
- 20.111 General (General Use Formulas).
- 20.117 Reagent Alcohol General Use Formula.
- 20.133 Registration of Persons Trafficking in Articles.
- 20.134 Labeling (Articles).
- 20.202 Losses in Transit.
- 20.234 Disposition on Permanent Discontinuance of Use.
- 20.252 Samples Larger Than Five Gallons.
- 20.265 Retention of Invoices.

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 information collected under this request to implement the IRC's statutory provisions regarding denatured spirits and to protect the revenue. The collected information allows TTB to ensure that all denatured spirits can be accounted for, have not been diverted to taxable beverage use, and are being used only for purposes authorized by law and the TTB regulations. During tax audits and compliance inspections, TTB personnel also may use the collected information to verify that respondents comply with the stipulations of their approved letterhead applications and submitted letterhead notices.

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, respondents file responses to this occasional information collection on paper as self-generated letterhead applications and notices.

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 letterhead applications and notices required by the TTB regulations covered under this information collection contain information pertinent to each respondent and applicable to a specific denatured spirits permit or activity. 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?

All entities, regardless of size, are required by 27 CFR part 20 to submit letterhead applications or notices before they can begin certain activities related to denatured spirits. Waiver or reduction of this requirement, simply because the respondent's business is small, could pose jeopardy 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?

The letterhead application and notice requirements covered under this information collection are considered to be the minimum necessary to ensure compliance with the IRC provisions and TTB regulations related to denatured spirits operations. Because denatured spirits are generally not subject to Federal excise tax but may be diverted to taxable beverage use, not collecting the required information or collecting it less frequently would pose jeopardy to 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 February 12, 2026, at 91 FR 6726. 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 request. 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 the IRC. TTB maintains its copies of letterhead applications and notices required under this information collection in secure file rooms and in password-protected computer systems.

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 collection contains no questions of a sensitive nature. However, this collection does collect personally identifiable information (PII), specifically related to permittees, in a Government electronic system, Permits Online (PONL). TTB has conducted a Privacy and Civil Liberties Impact Assessment (PCLIA) for PONL and has issued a Privacy Act System of Records notice (SORN) for that system under “Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB) .001–Regulatory Enforcement System of Records,” published in the Federal Register on October 11, 2022, at 87 FR 61435. See the TTB website at <https://www.ttb.gov/public-information/foia> for links to TTB’s PCLIA’s and SORN.

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

Estimated Respondent Burden Hours: Based on recent data, TTB estimates the annual respondent burden for this information collection as follows:

Respondent Type	Respondents	Responses & Burden per Response	Total Annual Responses	Burden Hours
Private Sector	2,540	1 response each @ 30 minutes per response	2,540	1,270

State, Local & Tribal Governments	1,260	1 response each @ 30 minutes per response	1,260	630
TOTALS	3,800	1 response each @ 30 minutes per response	3,800	1,900

Respondent Labor Cost Burden: Based on the hourly fully-loaded wage rate for Compliance Officers, TTB estimates the labor costs for private sector respondents and for State, local, and tribal government respondents to this information collection as follows:^{1 & 2}

Respondents Type	Fully-loaded Labor Rate/Hour	Cost for 1 response per respondent @ 30 minutes per response	Total No. of Responses	Total Labor Cost Burden
Private Industry	\$56.43	\$28.22	2,540	\$71,678.80
State, Local & Tribal Gov'ts	\$55.39	\$27.70	1,260	\$34,902.00
TOTALS	(\$56.0952)	(\$28.0476)	3,800	\$106,580.80

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

Respondent Recordkeeping Burden: Under 27 CFR 20.27, respondents must retain all returned documents related to permits and authorizations for inspection by TTB personnel during business hours. Under § 20.267, respondents must retain all records and copies of reports required under part 20 for at least 3 years at the premises where the operations occurred, and they must make such items available for examination by TTB officers during 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)?*

This information collection consists of occasional letterhead applications and notices submitted to TTB. As such there are no annualized capital, start-up, maintenance, operational, or other costs to respondents for this information collection. However, TTB

¹ Private Industry Fully-loaded Labor Rate/Hour = Hourly wage x 1.44 to account for benefit costs. Per the most recent U.S. Department of Labor, Bureau of Labor Statistics (BLS), data for National Industry-Specific Occupational Employment and Wage Estimates for NAICS 3250A2, Chemical Manufacturing, which includes NAICS 325600, Soap, Cleaning Compound, and Toilet Preparation Manufacturing, the fully-loaded wage rate for Compliance Officers (13-1041) is \$56.43, based on a mean hourly wage of \$39.19. See the BLS website at <https://data.bls.gov/oes/#/industry/3250A2.htm>.

² State and Local Government Fully-loaded Labor Rate/Hour = Hourly wage x 1.6 to account for benefit costs. Per the most recent U.S. Department of Labor, Bureau of Labor Statistics, data for State and local government workers by occupational and industry group, TTB estimates the averaged fully-loaded labor rate for Compliance Officers (13-1041) is \$55.39, based on an average mean hourly wage of \$34.62. See the BLS website at <https://data.bls.gov/oes/#/industry/999200> (State government) and <https://data.bls.gov/oes/#/industry/999300> (local government).

estimates that respondents have postal and mailing supply costs of up to \$2.25 per response, for an annual total of \$8,550.00 in such costs for 3,800 responses.

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

General costs: There are no printing or distribution costs to TTB associated with this information collection as it consists of respondent-generated letterhead applications and notices. In response to letterhead applications, TTB generates a letter in return, informing the respondent of the Bureau's decision regarding their application. At a cost of \$2.00 per response for 1,900 responses to letterhead applications, TTB will have no more than \$3,800.00 per year in such costs for this information collection.

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

Labor Costs for OMB No. 1513-0061 for TTB Personnel at the National Revenue Center in Cincinnati, Ohio					
Position	Fully-loaded Labor Rate per Hour ³	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$37.56	6 minutes	\$3.756	3,800	\$14,272.80
GS-12, Step 5, Specialist	\$82.53	24 minutes	\$33.012		\$125,445.60
TOTALS	(\$73.536)	30 minutes	\$36.768	3,800	\$139,718.40

Total Costs: General and labor costs to TTB result in **\$143,518.40 in total costs** to the Federal Government for this information collection.

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

There are no program changes or adjustments associated with this information collection at this time, and TTB is submitting it for extension purposes only.

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.

³ Federal Government Fully-loaded Labor Rate = Hourly wage x 1.63 to account for employee benefit costs. Per the most recent Office of Personnel Management (OPM) salary tables for Federal employees in the Cincinnati, Ohio, wage region, the hourly fully-loaded wage rates, rounded to the nearest whole cent, for TTB employees are: (1) \$37.56 for GS-5 (step 5), based on an hourly wage of \$23.04; and (2) \$82.53 for GS-12, step 5, based on an hourly wage of \$50.63. See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2026/CIN_h.pdf.

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?*

There is no prescribed TTB form for this information collection, and, as such, there is no medium for TTB to display its 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.