DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

[Docket No. TTB–2020–0001]

Proposed Information Collections; Comment Request (No. 77)

AGENCY: Alcohol and Tobacco Tax and Trade Bureau (TTB); Treasury.

ACTION: Notice and request for comments.

SUMMARY: As part of our continuing effort to reduce paperwork and respondent burden, and as required by the Paperwork Reduction Act of 1995, we invite comments on the proposed or continuing information collections listed below in this notice.

DATES: We must receive your written comments on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: As described below, you may send comments on the information collections described in this document using the “Regulations.gov” online comment form for this document, or you may send written comments via U.S. mail or hand delivery. We no longer accept public comments via email or fax.

- Internet: To submit comments online, use the comment form for this document posted within Docket No. TTB–2019–0001 on the “Regulations.gov” e-rulemaking website at https://www.regulations.gov;
• **U.S. Mail:** Send comments to the Paperwork Reduction Act Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Box 12, Washington, DC 20005.

• **Hand Delivery/Courier:** Delivery comments to the Paper Reduction Act Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Suite 400, Washington, DC 20005.

Please submit separate comments for each specific information collection described in this document. You must reference the information collection’s title, form or recordkeeping requirement number, and OMB control number (if any) in your comment.

You may view copies of this document, the information collections described in it and any associated instructions, and all comments received in response to this document within Docket No. TTB–2019–0001 at [https://www.regulations.gov](https://www.regulations.gov). A link to that docket is posted on the TTB Web site at [https://www.ttb.gov/forms/comment-on-form.shtml](https://www.ttb.gov/forms/comment-on-form.shtml). You may also obtain paper copies of this document, the information collections described in it and any associated instructions, and any comments received in response to this document by contacting Michael Hoover at the addresses or telephone number shown below.

**FOR FURTHER INFORMATION CONTACT:** Michael Hoover, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Box 12, Washington, DC 20005; 202–453–1039, ext. 135; or
informationcollections@ttb.gov (please do not submit comments to this email address).

SUPPLEMENTARY INFORMATION:

Request for Comments

The Department of the Treasury and its Alcohol and Tobacco Tax and Trade Bureau (TTB), as part of their continuing effort to reduce paperwork and respondent burden, invite the general public and other Federal agencies to comment on the proposed or continuing information collections described below in this notice, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.).

Comments submitted in response to this notice will be included or summarized in our request for Office of Management and Budget (OMB) approval of the relevant information collection. All comments are part of the public record and subject to disclosure. Please do not include any confidential or inappropriate material in your comments.

We invite comments on: (a) Whether an information collection is necessary for the proper performance of the agency’s functions, including whether the information has practical utility; (b) the accuracy of the agency’s estimate of the information collection’s burden; (c) ways to enhance the quality, utility, and clarity of the information collected; (d) ways to minimize the information collection’s burden on respondents, including through the use of automated collection techniques or other forms of information technology; and
(e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide the requested information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information has a valid OMB control number.

**Information Collections Open for Comment**

Currently, we are seeking comments on the following forms, letterhead applications or notices, recordkeeping requirements, questionnaires, or surveys:

**OMB Control No. 1513–0041**

**Title:** Distilled Spirits Plants—Records and Monthly Reports of Processing Operations.

**TTB Form Number:** TTB F 5110.28.

**TTB Recordkeeping Number:** TTB REC 5110/03.

**Abstract:** In general, the Internal Revenue Code of 1986, as amended (IRC), at 26 U.S.C. 5001, imposes a Federal excise tax on distilled spirits produced or imported into the United States, and imposes related recordkeeping and reporting requirements. The IRC at 26 U.S.C. 5207 requires that distilled spirits plant (DSP) proprietors keep records and submit reports regarding their production, storage, denaturation, and processing operations in such form and manner as the Secretary of the Treasury (Secretary) by regulation prescribes. Under that IRC authority, the TTB regulations in 27 CFR part 19 require DSP proprietors to keep records regarding their processing operations, as well as any
wholesale liquor dealer or taxpaid storeroom operations they conduct. The part 19 regulations also require DSP proprietors to submit monthly reports of those processing operations (based on the required records) using form TTB F 5110.28. TTB uses the collected information to ensure proper tax collection. TTB also aggregates the collected information to produce generalized distilled spirits statistical reports for release to the public.

**Current Actions:** There are no program changes associated with this information collection, and TTB is submitting it for extension purposes only. However, due to a change in agency estimates resulting from continued growth in the number of DSPs in the United States, particularly small distilleries, TTB is increasing the number of annual respondents, responses, and burden hours reported for this collection.

**Type of Review:** Extension of a currently approved collection.

**Affected Public:** Businesses or other for-profits; State, local, and tribal governments.

**Estimated Annual Burden**

- **Number of Respondents:** 3,700.
- **Average Responses per Respondent:** 12.
- **Number of Responses:** 44,400.
- **Average Per-response Burden:** 2 hours (1 hour for recordkeeping and 1 hour for reporting).
- **Total Burden:** 88,800 hours.
Title: Usual and Customary Business Records Maintained by Brewers.

TTB Recordkeeping Number: TTB REC 5130/1.

Abstract: The IRC at 26 U.S.C. 5415 requires brewers to keep records in such form and containing such information as the Secretary of the Treasury may by regulation prescribe as necessary to protect the revenue. Under that IRC authority, the TTB regulations in 27 CFR part 25 require brewers to keep usual and customary business records that allow TTB to verify various brewer activities, including, for example, the quantities of raw materials received at a brewery, the quantity of beer and cereal beverages produced and removed taxpaid or without payment of tax from a brewery, and the quantity of beer previously removed subject to tax that is returned to the brewery.

Current Actions: There are no program changes associated with this information collection, and TTB is submitting it for extension purposes only. However, due to a change in agency estimates resulting from continued growth in the number of breweries in the United States, TTB is increasing the number of annual respondents and responses to this information collection. But, TTB is removing the one hour of burden previously reported for this information collection as a place holder since, under the OMB regulations at 5 CFR 1320.3(b)(2), regulatory requirements to maintain usual and customary records kept during the normal course of business place no burden on respondents.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses or other for-profits.
**Estimated Annual Burden**

- **Number of Respondents**: 12,000.
- **Average Responses per Respondent**: One.
- **Number of Responses**: 12,000.
- **Average Per-response and Total Burden**: None. (Under the OMB regulations 5 CFR 1320.3(b)(2), regulatory requirements to maintain usual and customary records kept during the normal course of business place no burden on respondents as defined in the Paperwork Reduction Act.)

**OMB Control No. 1513–0059**

**Title**: Usual and Customary Business Records Relating to Tax-Free Alcohol.

**TTB Recordkeeping Number**: TTB REC 5110/05.

**Abstract**: In general, the IRC at 26 U.S.C. 5001 imposes a Federal excise tax on distilled spirits produced or imported into the United States. However, under the IRC at 26 U.S.C. 5214, distilled spirits may be withdrawn free of tax for nonbeverage purposes for use by Federal, State, and local governments, certain educational organizations and institutions, research laboratories, hospitals, blood banks, sanitariums, and nonprofit clinics, subject to regulations prescribed by the Secretary. Under that IRC authority, the TTB regulations in 27 CFR part 22 require tax-free alcohol users to maintain certain usual and customary shipment, loss, consignment, return, and inventory records, which are kept during the
normal course of business, in order to maintain accountability over tax-free spirits. Such accountability is necessary to protect the revenue.

**Current Actions:** There are no program changes associated with this information collection, and TTB is submitting it for extension purposes only. However, due to a change in agency estimates resulting from continued growth in the number of tax-free alcohol users, TTB is increasing the number of annual respondents and responses to this information collection. But, TTB is removing the one hour of burden previously reported for this information collection as a place holder since, under the OMB regulations at 5 CFR 1320.3(b)(2), regulatory requirements to maintain usual and customary records kept during the normal course of business place no burden on respondents.

**Type of Review:** Extension of a currently approved collection.

**Affected Public:** Businesses and other for-profits; Federal Government, State, local, and tribal governments.

**Estimated Annual Burden**

- **Number of Respondents:** 5,600.
- **Average Responses per Respondent:** One.
- **Number of Responses:** 5,600.
- **Average Per-response and Total Burden:** None. (Under the OMB regulations 5 CFR 1320.3(b)(2), regulatory requirements to maintain usual and customary records kept during the normal course of business place no burden on respondents as defined in the Paperwork Reduction Act.)
Title: Tobacco Products Importer or Manufacturer—Records of Large Cigar Wholesale Prices.

TTB Recordkeeping Number: TTB REC 5230/1.

Abstract: In general, the IRC at 26 U.S.C. 5701 imposes Federal excise taxes on tobacco products and cigarette papers and tubes, and, as described at 26 U.S.C. 5701(a)(2), the excise tax on large cigars is based on a percentage of the price at which such cigars are sold by the manufacturer or importer. In addition, the IRC at 26 U.S.C. 5741, requires every manufacturer and importer of tobacco products to keep records in such manner as the Secretary shall by regulation prescribe. Under those IRC authorities, the TTB regulations at 27 CFR 40.187 and 41.181 require that manufacturers and importers of large cigars maintain certain records regarding the price for which those cigars are sold. The required records are necessary to protect the revenue as they allow TTB to verify that the appropriate amount of Federal excise tax is paid on large cigars.

Current Actions: There are no program or estimated burden changes associated with this information collection, and TTB is submitting it for extension purposes only.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses or other for-profits.

Estimated Annual Burden

- Number of Respondents: 300.
- Average Responses per Respondent: 1.
• **Number of Responses:** 300.
• **Average Per-response Burden:** 2.33 hours.
• **Total Burden:** 699 hours.

**OMB Control No. 1513–0119**

**Title:** Certification of Proper Cellar Treatment for Imported Natural Wine.

**TTB Form or Recordkeeping Number:** None.

**Abstract:** Under the IRC at 26 U.S.C. 5382(a)(3), importers of natural wine produced after December 31, 2004, must provide the Secretary with a certification, accompanied by an affirmed laboratory analysis, that the practices and procedures used to produce the wine constitute proper cellar treatment. That IRC section also contains alternative certification requirements or exemptions for natural wine produced and imported under certain international agreements, as well as for such wine imported by an owner or affiliate of a domestic winery. In addition, the Federal Alcohol Administration Act at 27 U.S.C. 201 et seq. (FAA Act) vests the Secretary with authority to prescribe regulations regarding the identity and quality of alcohol beverages. Under those authorities, the TTB wine regulations in 27 CFR part 4 and its alcohol beverage import regulations in 27 CFR part 27 implement the IRC’s proper cellar treatment certification requirement for imported natural wine.

**Current Actions:** There are no program changes associated with this information collection, and TTB is submitting it for extension purposes only. However, due to changes in agency estimates resulting from the implementation
of several international wine production agreements, and the use of previously-submitted certificates by importers, TTB is reducing the number of annual respondents, responses, and burden hours associated with this information collection. TTB notes that since the adoption of the IRC section requiring certification of proper cellar treatment for imported natural wine, the United States has entered into wine production agreements with over 30 nations, including the world’s largest wine producing countries. Therefore, as provided in the IRC at 26 U.S.C. 5382(a)(3), the majority of the natural grape wines imported into the United States are exempt from that section’s certification requirement. In addition, TTB posts the submitted certificates to its website, and other importers may reference an existing certificate in lieu of providing their own. As a result of those actions, the number of certificates of proper cellar treatment for imported natural wine TTB receives annually has decreased significantly in recent years.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses and other for-profits.

Estimated Annual Burden

- Number of Respondents: 50.
- Average Responses per Respondent: One (1).
- Number of Responses: 50.
- Average Per-response Burden: 0.33 hours.
- Total Burden: 17 hours.
Title: Tax Class Statement Required on Hard Cider Labels.

TTB Form or Recordkeeping Number: None.

Abstract: The IRC at 26 U.S.C. 5041 imposes six Federal excise tax rates on wine, the lowest of which is the hard cider tax rate listed in section 5041(b)(6), while the IRC at 26 U.S.C. 5368(b) provides that wine can only be removed in containers bearing the marks and labels evidencing compliance with chapter 51 of the IRC as the Secretary may by regulation prescribe. Also, section 335(a) of the Protecting Americans from Tax Hikes Act of 2015 (PATH Act, Pub. L. 144–113) recently modified the definition of hard cider in the IRC at 26 U.S.C. 5041(g) to broaden the range of products eligible for the hard cider tax rate. In addition, TTB’s FAA Act-based wine labeling regulations in 27 CFR part 4 allow the term “hard cider” to appear on wine labels even if the product does not meet the definition of “hard cider” for tax purposes under the IRC. In light of this, in order to adequately identify products eligible for the hard cider tax rate, the TTB regulations in 27 CFR parts 24 and 27 require the tax class statement, “Tax class 5041(b)(6),” to appear on containers of domestic and imported wines, respectively, for which that tax rate is claimed. The placement of the hard cider tax class statement on such wine labels is necessary to protect the revenue as it evidences compliance with the IRC’s statutory requirements and identifies products for which the taxpayer is claiming the hard cider tax rate.
Current Actions: There are no program changes associated with this information collection, and TTB is submitting it for extension purposes only. However, due to a change in agency estimates resulting from growth in the number of hard cider products in the marketplace, TTB is increasing the number of annual respondents, responses, and burden hours reported for this collection.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses or other for-profits.

Estimated Annual Burden

- **Number of Respondents**: 800.
- **Average Responses per Respondent**: One (1).
- **Number of Responses**: 800.
- **Average Per-response Burden**: 1 hour.
- **Total Burden**: 800 hours.


Amy R. Greenberg,

Director, Regulations and Rulings Division.

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