

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0013

TTB F 5000.18 Change of Bond (Consent of Surety)

A. JUSTIFICATION

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection?

Since the 1950's TTB has required that the industries that it regulates assume more responsibility for the maintenance of records and for otherwise safeguarding untaxpaid commodities. To ensure that revenue from these untaxpaid commodities is not jeopardized, TTB is authorized by statute to require persons qualified to operate or deal in these industries to post a bond.

The bond ensures payment of excise taxes by the bonding company should the proprietor default. The statutes for furnishing a bond are found in 26 U.S.C. 5173, 5272, 5354, 5401, and 5711. However, to provide flexibility to the operator should circumstances change from the original bond agreement, TTB requires a Change of Bond (Consent of Surety), TTB F 5000.18. TTB F 5000.18 is an extension of the bond, identifying activities or conditions previously not identified on the bond. It is completed in the same manner as a bond and has the same authority, a binding legal agreement to protect the revenue. Therefore, TTB F 5000.18 is merely further identification of the nature of the instrument and acceptance by both parties to an agreement.

The prescribing regulations for requiring TTB F 5000.18 are found in the following:

27 CFR 19.235	27 CFR 25.92	27 CFR 41.124
27 CFR 22.25	27 CFR 28.54	27 CFR 44.126
27 CFR 24.152	27 CFR 40.137	.

2. How, by whom and for what purpose is this information used?

TTB F 5000.18 is executed by both the bonding company and the proprietor and acts as an agreement between the two parties to extend the terms of the bond. TTB F 5000.18 is filed with TTB and a copy is retained by TTB as long as it remains current and in force. If TTB F 5000.18 is not executed and filed with TTB, then the

proprietor's ability to engage in activities not covered by the original bond is diminished and a potential jeopardy is placed on the revenue.

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 will approve, on a case-by-case basis, the use of improved information technology.

4. What efforts are used to identify duplication? Why can't any similar Information already available be used or modified for use for the purposes described in Item 2 above?

TTB F 5000.18 collects information that is pertinent to each respondent and applicable to his/her specific operations. As far as we can determine, similar information is not available any where else.

5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?

There is no alternative or manner in which to reduce the burden to small businesses. TTB F 5000.18 could be considered a relief to small businesses since it provides for an extension of the original bond, instead of having to post and file a new bond.

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?

If TTB F 5000.18 is not executed and filed with TTB or executed and filed less frequently, then the proprietor's ability to engage in activities not covered by the original bond is diminished and a potential jeopardy is placed on the revenue. TTB must require the proprietor to submit TTB F 5000.18 any time an activity is conducted that is not covered by the existing bond. By completing this form, this substantially reduces jeopardy to the revenue, as bond coverage is extended to those additional activities or conditions. This requirement is only completed at those times when there have been changes to the original conditions of the bond.

7. Are there any special circumstances associated with this information collection?

There are no special circumstances associated with this information collection.

8. What effort was made to notify the general public about this collection of information?

A 60-day notice was published in the Federal Register (73 FR 64397) on Wednesday, October 29, 2008. The notice solicited comments from the general public. TTB received no comments in response to this notice.

9. What decision was made to provide any payment or gift to respondents, other than reenumeration of contractors or grantees?

No payment or gift is associated with this collection.

10. What assurance of confidentiality was provided to respondents and what was the basis for the assurance in statute, regulations, or agency policy?

No specific assurance of confidentiality is provided on this form, however the information provided by the taxpayer in this form is protected from disclosure under 26 U.S.C. 6103.

11. What justification is there for questions of a sensitive nature?

We ask no questions of a sensitive nature.

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

The burden for this information collection has been determined by information provided by TTB regional staff on the number of persons authorized to operate and the number of forms that are submitted. There is no change in burden from the previous submission. There are 2,000 respondents that complete this form once annually. It takes each respondent 1 hour to complete this form, for a total burden of 2,000 hours.

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?

No cost is associated with this collection.

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

There is no cost to the Federal Government related to this collection.

15. What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?

No program changes or adjustments are associated with this collection.

16. Outline plans for tabulation and publication for collections of information whose results will be published.

We will not publish the results of this 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?

We will display the expiration date of OMB approval for this collection.

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.