

**SUPPORTING STATEMENT  
CAPITAL CONSTRUCTION FUND – DEPOSIT/REPORT  
OMB CONTROL NO. 0648-0041**

**A. JUSTIFICATION**

This request is for renewal of this information collection.

**1. Explain the circumstances that make the collection of information necessary.**

National Oceanic and Atmospheric Administration (NOAA) Form 34-82 is used to facilitate meeting the continuing record keeping requirements of the Fishing Vessel Capital Construction Fund (FVCCF) program, which is statutorily mandated under Section 607 of the Merchant Marine Act, 1936, as amended by Public Law (P.L.) 91-469, Sec 607(e) (which centralized monitoring and compliance authority for all cargo reservation programs in the Maritime Administration). The data collected is required pursuant to 50 CFR Part 259.35, and P.L. 99-514 (The Tax Reform Act, 1986), and is needed for responsible program administration. The FVCCF is a tax deferral program which allows participating fishermen to defer the tax on vessel income deposited into the fund and provides for the recapture of the deferred tax by reducing an agreement vessel's basis by the amount withdrawn for its construction, acquisition and/or reconstruction. Deposited income is separated into one of three bookkeeping accounts as set forth in P.L. 91-469, Sec 607(e), and is withdrawn from them on a first-in first-out basis in accordance with the nature of the withdrawal as set forth in 26 CFR Part 3 Sec 3.6(b) and 3.7(c).

If withdrawn monies are not used for allowed purposes, the withdrawn amount (a non-qualified withdrawal) is considered income to the participant in the year withdrawn, and taxed at the highest rate for the account involved.

Under a Capital Construction Fund (CCF) agreement, the participant must deposit a minimum amount per year, and cannot deposit more than a set amount. **National Marine Fisheries Service (NMFS)** must approve any withdrawals made before the withdrawal takes place. It is essential that a reasonably detailed record be kept of each participant's deposit/withdrawal activity.

**2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.**

The information is used by the Government for the purpose of responsibly administering the FVCCF Program and for general program management purposes. NOAA Form 34-82 must be submitted by participants not later than 30 days after the deadline, with extensions, for filing the participant's tax return. A copy of the tax return must also be submitted at that time. NMFS compares the two documents to find any conflicting information on earned income, deductions taken for deposits, adjustments made to depreciation schedules, and the proper payment of additional tax for non-qualified withdrawals. The information is also checked to ensure that withdrawals have been approved, and that deposited income meets minimum and maximum

limits. There is no other way, except by direct audit, for us to check if participants are complying with deposit/withdrawal requirements and properly accounting for FVCCF activity on their tax returns. Incorrect reporting can be costly to the Government in lost rather than deferred tax revenue. The information may also be used for research to better understand the fishing industry and demands for the program.

As explained in the preceding paragraphs, the information gathered has utility. NOAA Fisheries will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. See response to Question 10 of this Supporting Statement for more information on confidentiality and privacy. The information collection is designed to yield data that meet all applicable information quality guidelines. Although the information collected is not expected to be disseminated directly to the public, results may be used in scientific, management, technical or general informational publications. Should NOAA Fisheries Service decide to disseminate the information, it will be subject to the quality control measures and pre-dissemination review pursuant to Section 515 of Public Law 106-554.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.**

The Program automatic data processing system has been modified to accept electronic filing, however, it's unlikely that many reports will be filed in this manner because the majority of respondents do not have access to a computer. The fillable CCF form is on line at [http://www.nmfs.noaa.gov/mb/financial\\_services/ccf\\_docs\\_and\\_forms.htm](http://www.nmfs.noaa.gov/mb/financial_services/ccf_docs_and_forms.htm)

**4. Describe efforts to identify duplication.**

There is no duplication. Information being collected is specific and relevant only to the FVCCF Program.

**5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.**

The form is organized to help small entities such as small businesses keep track of their annual deposit/withdrawal activity in a manner that will aid them in the timely preparation of their tax returns. The information collected is the minimum necessary to ensure participants are complying with program regulations and statute.

**6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

The information is collected at the end of each participant's tax year. Less frequent collection would allow improper deposit/withdrawal activity to go undetected for periods of more than one year and, in some cases, could prevent the Internal Revenue Service (IRS) from protecting the Government's interest if they were not notified of tax liability situations in time to act before the expiration of the IRS 3-year statute of limitations. Not collecting the information would almost certainly result in the Government's not recovering substantial amounts of deferred taxes.

**7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.**

NA.

**8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

A Federal Register Notice published on December 11, 2008 (73 FR 75402) solicited public comments. No comments were received.

**9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.**

No gift or payment of any kind is provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.**

As stated on the form and in 50 CFR 259.38(b), all CCF information received by the Secretary of Commerce shall be held strictly confidential, except that it may be published or disclosed in statistical form provided such publication does not disclose, directly or indirectly, the identity of any fundholder.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

No sensitive questions are asked.

**12. Provide an estimate in hours of the burden of the collection of information.**

Number of respondents = 3,600

Frequency of response = once a year

Total number of responses expected = 3,600

Avg. response time per respondent = 20 minutes

Total annual response time = 1,200 hours.

**13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).**

Annualized costs per respondent are estimated at \$5.85 (\$3.35 for postage and \$2.50 for copying). Total annual cost to the respondents or recordkeepers based on 3,600 responses is \$21,060.

**14. Provide estimates of annualized cost to the Federal government.**

The sole cost to the Federal government is the labor necessary to process the reports and update the program database. That effort is estimated to involve 10 minutes per report for a Financial Assistance Technician, or 600 hours and \$16,874.25 in labor and benefits.

**15. Explain the reasons for any program changes or adjustments.**

No change.

**16. For collections whose results will be published, outline the plans for tabulation and publication.**

The collected data are not published.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.**

NA.

**18. Explain each exception to the certification statement.**

NA.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not employ statistical methods.