

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

**A. JUSTIFICATION**

This request is for extension 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. The program was created under the Merchant Marine Act of 1970. The CCF was authorized by Section 607 of the Merchant Marine Act, 1936, as amended, 46 U.S.C. 1177 (now at [46 U.S.C. 53503](#) of the Shipping Act) and administered pursuant to [50 CFR Part 259](#). The data collected is required pursuant to 50 CFR Part 259.35 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into the fund and provides for the recapture of the deferred tax by reducing an agreement vessel's basis by the amount withdrawn for its construction, acquisition and/or reconstruction. Deposited income is separated into one of three bookkeeping accounts, and is withdrawn from them on a first-in first-out basis in accordance with the nature of the withdrawal as set forth in [26 CFR Part 3](#) Sec 3.6(b) and 3.7(c).

If withdrawn monies are not used for allowed purposes, the withdrawn amount (a non-qualified withdrawal) is considered income to the participant in the year withdrawn, and taxed at the highest rate for the account involved.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

NMFS 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 NMFS 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 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).

The Program Automated Data Processing (ADP) system has been modified to accept these by email attachment. All information on the form is the minimum required by law. Because the information collected relates to financial transactions of individuals and businesses it is not disclosed to the public in any form.

**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 the 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.**

The collection is consistent with OMB guidelines.

**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 July 3, 2012 (77 FR 39468) solicited public comments. No comments were received.

Below are comments from four of five program users contacted (had not yet heard from the fifth, by the time we needed to finalize this ICR). Not all commented on every aspect. There were no specific comments on the burden:

**Availability of data:**

1. Very good; I can get copies of historical records for clients without difficulty.
2. The data is generally available in connection with the annual tax return preparation. Tracking of exact dates versus reporting whether a deposit occurred by the required deadline sometimes takes extra effort.
3. The ability to get data from the CCF administrators has been excellent and forthcoming upon demand with case holders' approval.

**Frequency of collection:**

1. Reasonable- once a year is not too often.
2. Annual collection is appropriate because it integrates with the annual tax preparation.

**The clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported:**

1. Instructions and reporting format: very clear. You could add some guidance on how you like a net long-term capital loss reported that results in a negative capital gain account. (Response: The negative balance carry forward is an extremely rare occurrence and would probably be best dealt with by one on one discussion instead of including it in the general instructions).
2. Items for the deposit withdrawal report are fine.
3. The report is easy to complete in its current format. The only difficulty I've encountered is the two questions on the current year reduction of income and current year deposit for an earlier year. (Note: I asked him what the difficulty was with those checkboxes and he indicated that it was simply remembering to check the box).
4. The form is clear.

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

No payment or gift to respondents is provided.

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

As stated on the form, information collected is confidential under the [Magnuson-Stevens Fishery Conservation and Management Act](#), as amended in 2006, and [NOAA Administrative Order 216-100](#), which sets forth procedures to protect confidentiality of fishery statistics. In addition, 50 CFR 259.38(b) states: "All CCF information received by the Secretary 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, however, the provision of the agreement holder's Social Security Number is required pursuant to 46 U.S.C. Sec. 1177 (m)(2) which requires NMFS to report annually to the IRS on capital construction funds including the name and taxpayer identification number of each agreement holder.

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

Number of respondents = 2,000  
Frequency of response = once a year  
Total number of responses expected = 2,000  
Average response time per respondent = 20 minutes

Total annual response time = 667 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). The total annual cost to the respondents or record keepers based on 2,000 responses is \$11,700.

**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. This effort is estimated to involve 10 minutes per report for a Financial Assistance Technician, or 333 hours and \$9,365 in labor and benefits.

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

The number of CCF participants has been drastically reduced since the last extension. The program undertook a large effort to terminate those participants that have not reported and/or have had no account activity in the past 5 years or more. This resulted in an adjustment: decrease of expected respondents from 3,600 to 2,000 since the last extension.

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

The information collected is 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.**

The forms will display the expiration date of OMB approval.

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

There are no exceptions.

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

Statistical methods are not used for this collection.