

U.S. Department of Agriculture
Farm Service Agency (FSA)
Supporting Statement
OMB Number 0560-XXX
Data on Nonresident Applicants

Purpose:

FSA is requesting OMB approval on form FSA-500. The purpose of form FSA-500 is to verify the applicant's citizenship and to require cosigners to verify their citizenship along with the percentage of the payment each will receive from FSA. The new form will be used when the FSA customer is applying for payment, for example, application for the Biomass Crop Assistance Program (BCAP) or Noninsured Disaster Assistance Program (NAP). The form is for the nonresident who will receive the payment from FSA programs and will ensure that FSA withholds appropriate taxes on the payment. The nonresident alien income tax is to be withheld from payments due to nonresident aliens under programs administered by FSA.

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

The data collected on the FSA-500 will assist in ensuring taxes are collected and reported to the Internal Revenue Service (IRS) accurately. As required by 26 U.S.C. 1441, "Withholding of Tax on Nonresident Aliens," FSA will deduct and withhold from payments to any nonresident alien a tax equal to 30 percent of the total payment.

As specified in 26 U.S.C. 4441, FSA is required to deduct taxes on the income from nonresident aliens so the FSA-500 will assist FSA to verify the country of citizenship before deducting the taxes for nonresident alien. Also, FSA will benefit from the information collected from nonresident aliens or on behalf of the nonresident aliens on FSA-500 because we discovered through an internal audit that there had been incorrect reporting to the IRS. The form is also included in the handbook so that FSA county offices provide the form to the nonresident alien before receiving any FSA payment.

2. Indicate how, by whom, and for what purpose the information is to be used.

FSA will use the FSA-500, Data on Nonresident Applicants, to verify the applicant's citizenship, if applications for payments are filed by or for applicants who reside outside the United States only, its territories or possessions, even if the application is filed by an agent of the applicant whose address is in the United States.

The FSA-500 requests the applicant's name, address, country of citizenship, and signature of the applicant or their authorized agent. The completed form will be filed at the FSA county office. As noted above, FSA 500 will be used for any FSA program for which a non U.S. citizen applies for payment.

3. Use of information technology.

FSA-500 is available on the FSA website as printable fillable form, with instructions also provided. The alien residents can scan and email the form to a specific FSA county office. We do not accept electronic signatures, so an electronic submission is not allowed at this time.

4. Describe efforts to identify duplication.

There is no duplication of data requested on the information collections contained in this clearance. Some information collected is similar to IRS form 1040NR, but FSA cannot use IRS form 1040NR because that form is only available after the FSA payment is made. The FSA-500 is filed with FSA and is not filed with IRS. FSA-500 requires FSA specific information that is not collected on the IRS form.

5. Describe efforts to minimize burden on small businesses or other small entities.

The information collection does not have an economic impact on small businesses or other small entities.

6. Consequence if collection were less frequent.

The form is needed to confirm the applicant's citizenship. After the first submission, the applicant only needs to submit the form if their citizenship changes. If the collection were less frequent, FSA may not be able to accurately withhold taxes from nonresident aliens receiving benefits from FSA programs.

7. Special circumstances.

The information collection is consistent with the guidelines in 5 CFR Part 1320.

8. Federal Register notice, summarization of comments, and consultation with persons outside the agency.

The "Information Collection: Data on Nonresident" notice was published in the *Federal Register* on January 29, 2015 at 80 FR 4855. Comments were to be received on or before March 30, 2015. No comments were received.

FSA contacted three separate individuals - a member of the general public, a member of private industry, and one person from another USDA agency. They were chosen as people who could review the form and reasonably evaluate our burden estimate. They confirmed that the burden estimate appeared to be appropriate for the length of time it could take to complete the form. The three persons requested to provide comments on the form were the following:

Lisa Jackson
USDA/National Agriculture Statistics Service (NASS)
202-690-1404

Felicia Yeargin
Dell Computers

615-681-1345

Linda Harris
St. Joseph/Candler Hospital
912-977-2927

9. Explain any decision to provide any payment or gift to respondents.

No payment or gifts are provided for any respondent.

10. Confidentiality provided to respondents.

Information collected is handled according to established FSA procedures implementing the Privacy Act, Freedom of Information Act, and OMB Circular 130, "Responsibilities for the Maintenance of Records about Individuals by Federal Agencies."

11. Questions of a sensitive nature.

No information of a sensitive nature is requested.

12. Estimates of burden.

It is estimated that, on average, it will require a respondent approximately 5 minutes to gather and record the information collected on FSA-500 because the data is readily available. The number of respondents is 55 in this collection.

- Estimated Number of Respondents: 55
- Estimated Number of Responses per Respondent: 1.
- Average Time per Response: 1.0833 hours.
- Total Annual Burden on Respondents: 60 hours.

The average travel time, which is included in the total burden, is estimated to be 1 hour per respondent. The number of respondents is based on an estimated count of the Non Resident Aliens withholdings sent to IRS in 2013.

Note: The hour and related cost burden estimates are high because the travel time is already accounted for in the existing approval for the information collection related to specific programs and the application for payment, for example, BCAP form FSA-18 or NAP form FSA-576.

The only cost would be directly related to the hourly burden as follows:

An estimate of annualized cost to respondents, assuming an average salary of \$22.55, for collection of information is: \$1,353 ($\22.55×60).

13. Total annual cost burden to respondents or recordkeepers.

The information requested on form FSA-500 is information that the applicant has on-hand. Therefore, there is no start-up cost associated with the information collection.

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

Forms are retrieved from the website at no additional cost to the Government.

Workhours from County Employees (GS-7 Step 5): 10 minutes per response times 55 responses = 9.17 work hours times \$23.15 (average wage) = \$225.

Total annual cost to the Federal government = \$255.

15. Reasons for changes in burden.

This is a new request.

16. Tabulation, analysis and publication plans.

No publication of these individual collections is intended.

17. Reasons display of expiration date of OMB approval is inappropriate.

Not Applicable

18. Exceptions to 83-1 certification statement.

There are no exceptions to the certification statement.

19. How is this information collection related to Customer Service Center?

This information collection is available at the Customer Service Center for the respondents to complete and submit to the FSA employees to confirm the non-resident status.