**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement –– Information Collection Request**

**OMB Control Number 1513–0013**

Change of Bond (Consent of Surety); TTB F 5000.18.

**A. Justification**

*1. What are the circumstances that make this collection of information necessary, and what legal or administrative requirements necessitate the collection? Also align the information collection to TTB’s Line of Business/Sub-function and IT Investment, if one is used.*

The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers chapter 51 (distilled spirits, wine and beer) and chapter 52 (tobacco products and cigarette papers and tubes) of the Internal Revenue Code of 1986, as amended (IRC, 26 U.S.C.), pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). In addition, the Secretary of the Treasury has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120–01.

To ensure that the Federal excise tax revenue imposed on alcohol and tobacco products under the provisions of chapter 51 and chapter 52 of the IRC is not jeopardized, TTB is authorized by the IRC at 26 U.S.C. 5114, 5173, 5272, 5354, 5401, and 5711 to require persons qualified to operate or deal in these industries to post a bond to ensure payment of Federal excise taxes by the bonding company should the proprietor default.

If the circumstances of a proprietor’s operations change from those covered by the original bond agreement, TTB regulations require the filing of form TTB F 5000.18, Change of Bond (Consent of Surety), in lieu of obtaining a new bond. This form is executed by both the proprietor and the bonding company, and it acts as an extension of the original bond, identifying new activities or conditions previously not identified on the bond. TTB F 5000.18 is executed in the same manner as a bond and has the same authority as a binding legal agreement to protect the revenue.

The following TTB regulations in 27 CFR require the filing of TTB F 5000.18:

17.106 19.59 19.60 19.116 19.117 19.118

19.132 19.133 19.134 19.141 19.143 19.155

19.168 19.428 19.454 19.690 19.693 24.129

24.152 25.77 25.92 28.54 28.62 28.65

40.137 40.407 41.85 41.124

This information collection is aligned with ––

* Line of Business/Sub-function: General Government / Taxation Management.
* IT Investment: Tax Major Application System.

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

TTB F 5000.18 is executed by both a surety company approved by the Department of Treasury 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, which retains a copy of the form as long as it remains current and in force. The bond ensures payment of Federal excise taxes should the proprietor default.

*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 F 5000.18 is available on the TTB website as a “fillable – printable” form.

A respondent also may upload a completed copy of TTB F 5000.18 and submit it to TTB using TTB’s Permits Online (PONL) system. The PONL system allows for the electronic submission of applications and all of the required supplementary forms, such as bonds and consents of sureties, which are required to apply for or amend a permit. The electronic submission of this form via PONL speeds the submission process for proprietors, who would otherwise have to print and mail the form to TTB.

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

*4. What efforts are used to identify duplication? Can 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 the respondent’s specific operations that are authorized under TTB regulations. As far as we can determine, similar information is not available elsewhere.

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

TTB believes that TTB F 5000.18 provides flexibility to all entities, including small businesses, since the form provides for an extension of the original bond in lieu of the proprietor being required to post and file a new bond. TTB considers all of the information requested on TTB F 5000.18 to be essential to the effective protection of the revenue and, therefore, TTB has made no additional provisions for small businesses.

*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?*

TTB requires a proprietor to submit TTB F 5000.18 only when the proprietor desires to engage in a regulated activity that is not covered by the proprietor’s existing bond. If the TTB regulations did not provide authorization for a change of bond/consent of surety to be filed on TTB F 5000.18, then the proprietor’s ability to engage in activities not covered by the original bond could be delayed.

*7. Are there any special circumstances associated with this information collection that would require it to be conducted in a manner inconsistent with OMB guidelines?*

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? Summarize the public comments that were received and describe the action taken by the agency in response to those comments.*

A 60-day Federal Register notice was published for this information collection on Friday, April 24, 2015, at 80 FR 23071. The notice solicited comments from the general public by June 23, 2015. TTB received no comments on this information collection.

*9. Was any payment or gift given to respondents, other than remuneration of contractors or grantees? If so, why?*

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?*

While no specific assurance of confidentiality is provided on TTB F 5000.18, the confidentiality of the taxpayer information collected on the form is protected from disclosure by 26 U.S.C. 6103, except as described in the form’s Privacy Act notice.

Paper copies of TTB F 5000.18 are maintained in TTB secure file rooms with controlled public access, and TTB secures electronically-submitted copies of TTB F 5000.18 in password- and firewall-protected electronic systems accessible only by authorized TTB employees.

*11. What is the justification for questions of a sensitive nature? If personally identifiable information (PII) is being collected in an electronic system, identify the Privacy Impact Assessment (PIA) that has been conducted for the information collected under this request and/or the Privacy Act System of Records notice (SORN) issued for the electronic system in which the PII is being stored.*

This information collection contains no questions of a sensitive nature.

A Privacy Impact Assessment (PIA) has been conducted for information collected under this request as part of the Tax Major Application System, and a Privacy Act System of Records notice (SORN) has been issued for this system under TTB .001–Regulatory Enforcement Record System and published in the Federal Register on January 28, 2015, at 80 FR 4637. TTB’s PIAs are available on the TTB website at <http://www.ttb.gov/foia/pia.shtml>.

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

TTB F 5000.18, Change of Bond (Consent of Surety), is filed by those proprietors authorized to operate by TTB who desire to add or change a regulated activity that could change their excise tax liability and thus their required bond coverage or conditions.

Recent experience has shown that, of all TTB regulated proprietors, approximately 2,000 respondents file an average of one TTB F 5000.18 per year. TTB estimates that the form takes one hour to complete. Therefore, 2,000 responses x 1 hour per response = 2,000 total burden hours.

*13. What is the estimated annual cost burden to respondents or record keepers resulting from this information collection request (excluding the value of the hour burden in Question 12 above)?*

Other than postage for forms submitted via U.S. mail, there is no cost to the respondent associated with this collection.

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

Estimates of the annual cost to the Federal Government for this information collection are:

|  |  |
| --- | --- |
| Printing | $ 0 |
| Distribution | 0 |
| Clerical cost | 1,003 |
| Other Salary (review, supervisory, etc.) | 10,930 |
| **TOTAL** | **11,933** |

Printing and distribution costs have been deleted from TTB’s cost estimate due to the various electronic methods that we have made available to the public to obtain copies of TTB forms. As a result, printing and distribution costs have decreased to $ 0.00.

*15. What is the reason for any program changes or adjustments reported?*

Based on recent experience, TTB is adjusting the number of respondents from 3,600 to 2,000 to provide a more accurate reporting of respondents; resulting in a decrease in the estimated annual burden hours from 3,533 to 2,000 hours.

In addition, we are correcting the reporting of separate burden for paper and PONL submissions of TTB F 5100.18. Respondents using PONL are required to upload a completed TTB F 5100.18 into any PONL application they submit to TTB.

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

The results of this collection will not be published.

*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?*

As a cost saving measure for both TTB and the general public, TTB is seeking approval not to display the expiration date for OMB approval of this information collection. By not displaying the expiration date of this collection on the related form, TTB will not have to update the form’s expiration date on its electronic systems and website pages or on the form’s paper version each time the information collection is approved. More importantly, this avoids confusion among users of the form when the OMB approval date may have passed but the form is approved under interim short-term approvals while the form is under OMB review but before OMB has taken action. In addition, TTB-regulated businesses will not have to update their stocks of paper forms or alter electronic copies of the form, including any versions of the form produced by some businesses, at their own expense, for use with their electronic systems or for sale.

*18. What are the exceptions to the certification statement?*

(c) See item 5 above.

(f) This is not a recordkeeping requirement.

(i) No statistics are involved.

**B. Collections of Information Employing Statistical Methods.**

This collection does not employ statistical methods.