

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0004

Information Collection Request Title:

Authorization to Furnish Financial Information and Certificate of Compliance.

Information Collections Issued under this Title:

TTB F 5030.6 — Authorization to Furnish Financial Information and Certificate of Compliance.

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 the Federal Alcohol Administration Act (FAA Act) as codified at 27 U.S.C. 201 *et seq.*, as well as chapter 51 (distilled spirits, wine and beer), chapter 52 (tobacco products, processed tobacco, and cigarette papers and tubes), and sections 4181–4182 (firearms and ammunition excise taxes) 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 FAA Act and IRC administrative and enforcement authorities to TTB via Treasury Department Order 120-01.

Under the FAA Act at 27 U.S.C. 203 and 204, persons engaged in the importation, production, or wholesaling of distilled spirits and wine must apply for and obtain a permit to operate. Under the IRC at 26 U.S.C. 5171 and 5271, anyone engaged in distilled spirits operations who is not required to obtain a FAA Act permit (generally, industrial alcohol producers and tax-free distilled spirits users) must apply for and obtain a permit to operate. Similarly, under the IRC at 26 U.S.C. 5712 and 5713, persons importing or manufacturing tobacco products or processed tobacco, or operating an export warehouse for such products, must apply for and obtain a permit to operate. Under these statutes, permit applicants (or in the case of corporations, officers, directors, or principal stockholders) must show that they have the “financial standing” to operate in compliance with Federal law and regulations.

Under the authority of these statutory provisions, the TTB regulations allow for the investigation of permit applicants, who may be required to show, among other things, that they have the financial standing to operate their businesses in compliance with Federal law and regulations. The TTB regulation issued under the authority of the FAA Act regarding distilled spirits and wine related permit investigations is set out at 27 CFR 1.24. The TTB

regulation issued under the IRC for operating permit investigations is set out at 27 CFR 19.92, and 27 CFR 19.96 includes financial standing as a potential basis for denial of a permit application. The TTB regulations issued under the IRC regarding tobacco-related permit investigations are set out in 27 CFR at 40.74 (for manufacturers of tobacco products), 40.498 (for manufacturers of processed tobacco), 41.198 (for importers of tobacco products), 41.238 (for importers of processed tobacco), and 44.92 (for export warehouse proprietors).

As authorized by these regulations, the appropriate TTB officer may require permit applicants to provide certain information regarding the money used to finance the business. However, the Right to Financial Privacy Act of 1978 (the Act, 12 U.S.C. 3401–3422) limits government access to records held by financial institutions, provides for certain procedures to gain access to such information, and requires that government agencies certify to a financial institution that the agency has complied with all provisions of the Act.

To comply with the requirements of the Act, TTB F 5030.6 acts as both a customer authorization to their financial institution providing TTB with the authority to receive the customer's financial information and as the required certification by TTB to the financial institution that TTB has complied with the Act's provisions.

This information collection is aligned with:

- Line of Business/Sub-function: Law Enforcement/Taxation/Substance Control.
- IT Investment: None.

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

During a permit application investigation, the appropriate TTB officer may require an applicant to furnish information regarding the financing of the proposed alcohol or tobacco business. To comply with the requirements of the Right to Financial Privacy Act of 1978, TTB uses TTB F 5030.6 to obtain authorization from the applicant to access records concerning the applicant held by a financial institution (Section A of the form) and to certify to the financial institution that TTB is in compliance with the Act (Section B of the form).

TTB personnel verify such financial information in order to ensure that:

- (a) The applicant, by reason of their financial standing, is likely to commence operations within a reasonable period of time and to maintain operations in conformity with Federal law;
- (b) Insufficient funds from acknowledged investors or unusual transactions in accounts are not indications of hidden ownership by someone ineligible for a permit; and
- (c) No potential violations of the FAA Act at 27 U.S.C. 205(b), concerning "tied house" inducements, exist.

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 has approved and will continue to approve, on a case by case basis, the use of improved information technology for the collection and maintenance of required information.

Currently, TTB F 5030.6 is available as a fillable-printable form on the TTB Web site at <http://www.ttb.gov/forms/index.shtml>.

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 5030.6 collects information, and provides a certification, that is unique to each respondent. As far as TTB 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 requires this form so that, under the Right to Financial Privacy Act of 1978, it may lawfully access records concerning permit applicant held by financial institutions. The information required from permit applicants or others associated with such applicants is minimal and cannot be waived or reduced simply because the respondent's business is small.

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 respondents did not complete this form, TTB would not be able to lawfully access records concerning permit applicants held by financial institutions in order to verify the respondent's financial standing. As such, TTB would not be able to complete the permit application process, or, if TTB granted a permit without verification of the applicant's finances, poorly financed permit holders or permit holders financed from inappropriate sources could pose jeopardy to the revenue. Respondents complete this information only as often as necessary to comply with the Right to Financial Privacy Act of 1978.

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?

No special circumstances are 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.

To solicit comments from the general public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on Thursday, August 27, 2015, at 80 FR 52093. TTB received no comments on this information collection in response.

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?*

The form contains a "Statement of Customer Rights under the Right to Financial Privacy Act of 1978" describing the confidentiality of financial records and how the government may obtain such records and transfer them between government agencies. Also, the IRC at 26 U.S.C. 6103 prohibits disclosure of tax related information unless disclosure is specifically authorized by that section, and confidential financial information is generally exempt from disclosure under the Freedom of Information Act. In addition, TTB maintains a copy of this form in secure office space with controlled access.

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. In addition, this information collection does not collect personally identifiable information (PII) in an electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this collection.

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

TTB no longer requires every permit applicant to complete this form as part of a permit application investigation (most permit applicants now provide copies of bank statements and other financial records directly to TTB). Based on the recent experience of TTB personnel involved in permit application investigations, TTB estimates that in one year 240 respondents complete this form once during the permit application process, taking 15 minutes to do so, resulting in 60 total annual burden hours.

(240 respondents x 1 response x 15 minutes per response = 60 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)?*

There is no cost to the respondent associated with this information collection.

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

Estimates of annual cost to the Federal Government are:

Printing costs	\$ 0
Distribution costs	0
Clerical costs	400.00
Other Salary costs (review, supervisory, etc.)	550.00
TOTAL COSTS	950.00

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate due to the availability of TTB forms to the public on the TTB Web site at <http://www.ttb.gov/forms/index.shtml>.

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

There are no program changes associated with this information collection. As an adjustment, we are revising the burden estimate to reflect a decrease in the number of respondents and the resulting burden hours due to a decrease in the number of permit application investigations conducted by TTB that require access to records concerning applicants held by financial institutions.

Non-material changes to the form: On TTB F 5030.6, TTB is updating the TTB headquarters address listed in the form's Paperwork Reduction Act notice.

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

TTB 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?*

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. Similarly, TTB-regulated businesses will not have to update their stocks of paper forms or alter electronic copies of the form, including any marginally-punched continuous printed versions of the form produced by some businesses, at their own expense, for use with their electronic systems or for sale to other businesses or individuals. Additionally, not displaying the OMB approval

expiration date on this form will avoid confusion among members of the public who may have identical forms with different expiration dates in their possession. By not displaying the expiration date, supplies of the form could continue in use regardless of when OMB's approval has expired.

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.
- (j) See item 3 above.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.