

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0002

Information Collection Request Title:

Personnel Questionnaire — Alcohol and Tobacco Products.

Information Collections Issued under this Title:

TTB F 5000.9, Personnel Questionnaire — Alcohol and Tobacco Products.

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), 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.), as well as the Federal Alcohol Administration Act (FAA Act, 27 U.S.C. 201 *et seq.*), pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). The Secretary of the Treasury also has delegated certain IRC and FAA Act administrative and enforcement authorities, including those related to the issuance of alcohol and tobacco permits, to TTB through Treasury Department Order 120-01.

The IRC, at 26 U.S.C. 5171, 5181, 5271, 5356, 5401, 5502, 5511, and 5712, and the FAA Act at 27 U.S.C. 204, require persons wishing to engage in certain alcohol and tobacco activities to obtain a permit, or approval of a notice or registration, from the Secretary before beginning operations and under such regulations as the Secretary deems necessary to protect the revenue. The IRC at 26 U.S.C. 5171, 5271, and 5712 and the FAA Act at 27 U.S.C. 204(a)(2) also specifically deny particular permits to applicants (including company officers, directors, or principal investors) who the Secretary finds are not likely to operate lawfully or who have certain criminal convictions.

Under its delegated authorities, TTB has issued regulations requiring prospective alcohol and tobacco industry members to submit applications to TTB before they commence, join, or takeover regulated businesses. The information collection requirements for the different types of applications are approved under various OMB control numbers. In addition, the TTB regulations authorize the collection of certain supplemental information from applicants so that TTB can determine if they meet the minimum statutory and regulatory qualifications for the required permits, notices, and registrations.

The supplemental information required by TTB may include completion of TTB F 5000.9, Personnel Questionnaire—Alcohol and Tobacco, which is approved under this OMB control number, 1513–0002. The information collected on this form helps TTB to determine whether or not applicants or certain other personnel, such as company officers, directors, or principal investors, meet the minimum qualifications for a Federal alcohol or tobacco permit, notice, or registration. TTB F 5000.9 collects information on an individual applicant’s identity, employment and residence history, business financing, and criminal record, if any.

Authorizations allowing the appropriate TTB officer to require an individual to complete TTB F 5000.9 are included in the following TTB regulations in 27 CFR:

1.24	1.25	1.42	18.21	18.27	19.92
19.126	19.673	19.675	19.676	19.683	20.42
20.56	22.42	22.57	24.109	24.120	25.61
25.62	25.71	40.73	40.74	40.497	40.498
41.197	41.198	41.237	41.238	44.91	44.92.

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?

When its submission is required, the information provided on TTB F 5000.9 is examined by TTB personnel as part of a respondent’s application for a Federal alcohol or tobacco permit, notice, or registration. This form provides TTB personnel with a uniform method to determine whether or not an applicant or certain other personnel, such as company officers, directors, or principal investors, meet the minimum qualifications for a permit, notice, or registration. By preventing unqualified persons from entering the alcohol and tobacco industries, this information collection helps TTB to protect the revenue, prevent diversion, and ensure the lawful operation of alcohol and tobacco businesses.

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, respondents may complete and electronically submit the data required by this information collection by using TTB’s internet-based “Permits Online” system (PONL) and its “Officer/Ownership Application,” which is functionally equivalent to TTB F 5000.9. See <https://www.ttbonline.gov/permitsonline/>.

In addition, the information required by TTB F 5000.9, Personnel Questionnaire—Alcohol and Tobacco, may be submitted by completing and mailing the paper form to TTB. The

paper form is available as a fillable/printable form on the TTB website forms page 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 5000.9 collects information regarding employment and residence history, business financing, and criminal record (if any) that is specific to each respondent. This information is not available to TTB elsewhere.

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

Individuals complete TTB F 5000.9 in order to allow TTB to determine whether or not they meet the statutory requirements to obtain a Federal alcohol- or tobacco-related permit, notice, or registration. While many of these individuals are proprietors of, or involved with, small businesses, the IRC and FAA Act eligibility requirements for these permits, notices, and registrations cannot be waived merely 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?

The information collected on TTB F 5000.9 enables TTB to determine whether or not the respondent meets the minimum qualifications for a Federal alcohol or tobacco permit, notice, or registration. This ensures that the applicant has the ability and willingness to comply with the applicable statutory and regulatory requirements for operating an alcohol- or tobacco-related business, including payment of Federal excise taxes. If TTB did not collect this information, it could not prevent statutorily unqualified persons from entering the alcohol and tobacco industries. Without the ability to detect unqualified applicants, TTB would be less able to protect the revenue, prevent diversion, and ensure the lawful operation of alcohol and tobacco businesses.

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 January 13, 2016, at 81 FR 1679. 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?*

TTB F 5000.9 contains a Privacy Act Statement, which includes information regarding the voluntary disclosure of the applicant's Social Security number, but no specific assurance of confidentiality is provided on the form. However, the IRC at 26 U.S.C. 6103 prohibits disclosure of taxpayer information unless disclosure is specifically authorized by that section. TTB maintains this information in secure office space with controlled access and in password-protected computer systems.

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 asks 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?*

Based on the recent experience of TTB personnel who process applications, we estimate that 12,100 respondents will file one response to this information collection annually, for a total of 12,100 responses. We further estimate that 11,100, or 92 percent, of those respondents will submit the required information via the PONL system's Officer/Ownership Application instead of the paper TTB F 5000.9 form.

TTB is revising TTB F 5000.9 (and the PONL equivalent) to reduce the amount of requested information, which will reduce the estimated per-respondent burden. TTB estimates that the fillable/printable TTB F 5000.9 will now take a respondent an average of 80 minutes to complete, while the PONL equivalent of this collection will take a respondent an average of 70 minutes to complete.

Therefore, TTB estimates the total annual burden for this collection is 14,283 hours, determined as follows:

	Respondents (1 Response/Year)	Time/Response	Total Burden Hours
TTB F 5000.9	1,000	80 minutes (1.333 hours)	1,333
PONL Officer/Ownership Application	11,100	70 minutes (1.167 hours)	12,950
TOTALS	12,100	70.825 min. ave. (1.1804 hours)	14,283

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)?

Because this form collects personal and financial information readily known to the respondent, no cost to the respondent is associated with this 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	30,000
Other Salary costs (review, supervisory, etc.)	82,500
TOTAL COSTS	\$ 122,500

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate due to the availability of this information collection within the PONL system and 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?

Program changes: At TTB's discretion, we are revising TTB F 5000.9 in order to lower the per-respondent burden associated with this information collection. As such, TTB is proposing the following changes to the form:

- Questions regarding the respondent's weight, hair color, and father's and mother's names are removed as unnecessary to identify the respondent.

- Questions regarding the respondent's rating by a commercial credit reporting agency is being removed.
- Respondents will no longer be required to provide personal business and character references. (Respondents will continue to provide a bank reference.)
- Respondents will report their employment history and residence addresses for the past 5 years instead of the past 10 years.
- In some cases TTB merged questions. For example, TTB will ask for only one personal telephone number rather than home, mobile, and work numbers, and the two questions asking for other names used and maiden name are merged into one question.

TTB also is revising other questions to clarify what information must be provided.

TTB estimates that these changes will reduce the per respondent burden from 120 minutes (2 hours) for the current fillable/printable form to 80 minutes (1.333 hours) for the revised fillable/printable form, and from 90 minutes (1.5 hours) to 70 minutes (1.167 hours) for the PONL equivalent.

Adjustments: While TTB is lowering the per-respondent burden by revising TTB F 5000.9, we are increasing the estimated total annual burden from 9,950 hours to 14,283 hours due to an increase in the number of respondents to this information collection. TTB estimates that 12,100 respondents complete one annual response to this information collection, an increase of 7,100 respondents. The increase in the number of respondents and the resulting total annual burden is due to an increase in the number of new applicants (including company officers, directors, and principal investors) seeking alcohol-related permits, notices, or registrations from TTB, largely due to growth in the "craft" brewing and distilling industries.

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.