

Community Development Financial Institutions Fund, Department of the Treasury

Supporting Statement for Paperwork Reduction Act Submissions
Community Development Financial Institutions Fund (CDFI Fund)
New Markets Tax Credit Program (NMTC) Allocation Tracking System (ATS), 1559-0024

A. Justification

1. Circumstances necessitating collection of information

Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000 (the Act), as enacted by section 1(a)(7) of the Consolidated Appropriations Act, 2001 (Public Law No. 106-554, December 21, 2000), amended the Internal Revenue Code (IRC) by adding IRC Section 45D, New Markets Tax Credit (NMTC). Pursuant to IRC section 45D, the Community Development Financial Institutions (CDFI) Fund implements the NMTC Program, which is expected to stimulate investment in private capital that, in turn, will facilitate economic and community development in low-income communities. In order to qualify for an allocation of tax credits under the NMTC Program, an entity must be certified as a Community Development Entity (CDE) and submit an allocation application to the CDFI Fund. Via a competitive process, the CDFI Fund awards NMTC allocation awards to select CDEs, based upon information submitted in their NMTC Allocation Application. Entities receiving an NMTC allocation must enter into an allocation agreement with the CDFI Fund. The allocation agreement contains the terms and conditions, including all reporting requirements, associated with the receipt of a NMTC allocation. The CDFI Fund requires each Allocatee to use an electronic data collection and submission system, known as the Allocation Tracking System (ATS), to report on the information related to its receipt of a Qualified Equity Investment (QEI).

The ATS enables Allocatee's to report information to the CDFI Fund in a timely fashion. This information is also used by the Treasury Department (including both the CDFI Fund and the Internal Revenue Service (IRS)) to: (1) monitor the issuance of QEIs to ensure that no Allocatee exceeds its allocation authority; (2) ensure that QEIs are issued within the timeframes required by the NMTC Program regulations and the legal agreements signed between the CDFI Fund and the Allocatee; and (3) assist with NMTC Program evaluation efforts.

2. Method of collection and use of data

The NMTC ATS data is collected electronically and is mandatory from entities that received an NMTC allocation award. The data collected is used by the CDFI Fund to monitor the issuance of QEIs to ensure that no Allocatee exceeds its allocation authority.

3. Use of Information Technology

The CDFI Fund collects the ATS information electronically via a fillable, fileable form located on the CDFI Fund's website, via a secure Internet portal. The CDFI Fund only accepts ATS data electronically.

4. Efforts to identify duplication

Similar information is not available from other sources. The ATS does not duplicate any other CDFI Fund or Federal program information gathering tool.

5. Impact on small entities

This collection of information does not have a significant impact on small entities.

6. Consequences of less frequent collection and obstacles to burden reduction

The CDFI Fund cannot administer the NMTC Program, monitor timely usage of tax credit allocation awards, and fulfill its statutory obligations without the collection of data through ATS.

7. Circumstances requiring special information collection

Information collection may occur more often than quarterly. An Allocatee must report information in ATS on a per event basis. An event occurs when an investor makes a QEI in an Allocatee CDE. Because an Allocatee can issue a QEI at any point in time during a calendar year, it is possible that certain Allocatees may provide information to the CDFI Fund more frequently than quarterly.

Respondents will have to retain records for longer than 3-years. Allocatees are required to retain documentation to verify any information submitted to the CDFI Fund via ATS for the length of their compliance period, pursuant to their NMTC allocation agreement. By statute, a QEI must stay invested in a CDE for at least 7 years. Therefore, the record retention associated with ATS data submission extends beyond 3 years.

8. Solicitation of comments on information collection

Comments on the NMTC ATS were solicited via notice in the Federal Register on July 29, 2016, (81 FR 50056). No comments were received.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

10. Assurance of confidentiality

The CDFI Fund is subject to all Federal regulations with respect to confidentiality of the information provided in this collection of information. The CDFI Fund has provided no other assurances of confidentiality to respondents.

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in this information collection. No personally identifiable information (PII) is collected.

12. Estimate of the hour burden of information collection.

The total hour burden of this information collection is 5,940 hours. Of these hours, State, Local, and Tribal Governments comprise 180 hours. The breakdown is 15 respondents x 12 responses per year x 1.0 hours = 180 hours. Private Sector; Businesses and Other For-Profits; and Not-for-profit Institutions comprise 5,760 hours. The breakdown is 480 respondents x 12 responses per year x 1.0 hours = 5,760 hours.

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	# of Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Annual Burden Hours
State, Local, & Tribal Governments	15	12	180	1.0	180
Private Sector: Businesses and Other For-Profits; Not-for-profit Institutions	480	12	5760	1.0	5760
TOTAL	495	12	5940	1.0	5940

13. Estimate of total annual cost burden to respondents

This collection does not have a cost burden to respondents. No purchases of equipment or services are necessary for this information collection.

14. Estimate of annualized cost to the Government

The cost to the Federal Government is the CDFI Fund staff and contractor time required to maintain the electronic system, review the data submitted for compliance and evaluation purposes, and collect follow-up information as needed.

15. Any program changes or adjustments

The CDFI Fund has not made any changes to this information collection at this time.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through this information collection will not be published.

17. Reasons for not displaying expiration date of OMB approval

Display of the expiration date may lead to confusion among respondents who may have identical forms with a different expiration dates in their possession or lead them believe that this date represents a due date or sunset date. We request a non-display of the OMB expiration date.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable.