

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0003

Referral of Information

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 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). TTB also administers the Federal Alcohol Administration Act (FAA Act, 27 U.S.C. chapter 8), which governs alcohol industry permits, marketing, and trade practices. The Secretary of the Treasury has delegated certain IRC and FAA Act administrative and enforcement authorities to TTB through Treasury Department Order 120–01. The TTB regulations issued under these authorities are contained in 27 CFR chapter I.

In performing the Bureau's mission, TTB personnel occasionally discover potential violations of statutes and regulations administered by State and local government agencies. TTB may refer such information to the State or local agency with jurisdiction over the matter using form TTB F 5000.21, Referral of Information, in cases where the IRC's taxpayer privacy provisions at 26 U.S.C 6103 or other provisions of Federal law do not prohibit disclosure of such information. In addition, and specific to this information collection, TTB F 5000.21 includes a section for the State or local agency to respond voluntarily to TTB regarding its action on the referral of information.

TTB F 5000.21 provides TTB with a consistent means of conveying information regarding suspected criminal and civil violations to State and local agencies, and it facilitates information sharing between TTB and those agencies to support enforcement efforts. The response TTB requests from State and local agencies also provides TTB with information on the utility of the referrals and on potential enforcement actions that such agencies take against entities that TTB also may regulate.

(TTB also uses TTB F 5000.21 to refer information regarding suspected criminal and civil violations to other Federal agencies and receive replies from them, but the use of this form internally within the Federal government is not subject to the requirements of the Paperwork Reduction Act. As such, the responses to the questions in this Supporting Statement only consider the form's use to refer information to, and receive replies from, State and local government agencies.)

This information collection is aligned with—

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

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

When TTB personnel discover potential violations of statutes and regulations administered by State and local government agencies, and Federal law does not otherwise prohibit the disclosure of such information, TTB personnel may use TTB F 5000.21, Part I to refer such information to the agency with jurisdiction over the matter. TTB also may attach supporting documentation to the form. Part II of the form allows the State and local agencies receiving such referrals to respond voluntarily to TTB regarding the actions they take concerning such referrals.

This referral form serves TTB as a communication and evaluation tool. The form provides TTB with a consistent means of providing State and local government agencies with information regarding potential criminal and civil violations of the statutes and regulations that they administer, and it facilitates information sharing between agencies to support enforcement efforts. The response requested from those agencies provides TTB with information on the utility of the referrals and on potential enforcement actions that those agencies take against entities that TTB also may regulate.

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 5000.21 is available to TTB personnel on the Bureau's internal intranet website as a fillable-printable form. Because TTB and external agencies complete portions of that form, and because this form contains information unique to each referral of information, TTB does not believe that this form is susceptible to the use of automated, electronic, or other technological collection techniques at this time.

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?

The information TTB provides State and local government agencies regarding potential violations of statutes and regulations that they administer, and the response those agencies provide to TTB, is unique to each referral and is pertinent only to TTB and the agency in question. As far as TTB is able to 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?

This information collection does not have a significant impact on small entities. The requested response from a State or local government to which TTB has referred information agency is voluntary, and is the minimum necessary to inform TTB of the agency's action regarding a referral.

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 TTB did not conduct this collection of information, it would not have a standardized vehicle to notify State and local government agencies of potential civil and criminal violations under their jurisdiction, and those agencies would not have a standardized method to provide TTB with information concerning their response to such referrals. This would hinder information sharing between TTB and those agencies. Additionally, State and local agencies to which TTB has referred information respond to this collection only on an occasional, as-needed basis, and, as such, TTB has determined that it cannot conducted this collection less frequently.

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? (See 5 CFR 1320.5(d)(2).)

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.

To solicit comments from the public and government agencies, TTB published a "60-day" comment request notice for this information collection in the Federal Register on May 7, 2020, at 85 FR 27272. 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 information 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 provides no specific assurance of confidentiality for this information collection. However, Federal law at 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals, while 26 U.S.C. 6103 prohibits disclosure of tax returns and related information unless that section authorizes such disclosure. TTB notes that 26 U.S.C. 6103 specifically authorizes, under certain circumstances, disclosure of tax return and taxpayer information to State and local tax and law enforcement authorities for audit, enforcement, and investigative purposes.

TTB further notes that it maintains this information collection in secure file rooms 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 to the respondent 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?

Burden estimate: Based on recent data from TTB's Field Operations office, the Bureau estimates that it will provide information to 125 State and local government agencies using TTB F 5000.21 annually, with each such agency making one response on that form, for a total of 125 responses. TTB further estimates that State or local responding agencies require 1 hour to complete a response on TTB F 5000.21, for an estimated total of 125 annual burden hours.

Respondent Labor Costs: TTB estimates the per-respondent and total labor cost burden for State and local government respondents to this information collection as follows:

Average fully-loaded labor rate for Detectives and Criminal Investigators (State and local governments) = \$66.18 per hour x 1 hour per response = \$66.18 per response x 125 annual responses = \$8,272.50 in total respondent labor costs.¹

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)?

State and local government agencies to which TTB has referred information complete a response to this information collection only on an occasional, voluntary basis using information that is readily available to the respondent. As such, there are no annual costs to the respondent associated with this collection other than mailing costs, which TTB estimates to be no more than \$2.00 per response, for a total of cost of \$250.00 for 125 annual responses.

¹ Per the latest U.S. Department of Labor, Bureau of Labor Statistics, wage estimates for Federal, state, and local government, including government-owned schools and hospitals and the U.S. Postal Service: The average fully-loaded labor rate (hourly wage plus benefit costs) for Detectives and Criminal Investigators is \$66.18 per hour (\$41.36 wage/hour + \$24.82 benefit costs; obtained by multiplying hourly wage by 1.6). See Bureau of Labor Statistics wage information at <https://www.bls.gov/oes/current/999001.htm#33-0000>.

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

Based on currently salary and benefit costs of a GS–13, step 5, Federal employee, TTB estimates of annual cost to the Federal Government for this information collection as follows:

Overhead & mailing costs	\$375.00
Salary costs (review, supervisory, etc.) ²	\$10,495.00
TOTAL COSTS	\$10,870.00

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 website at <https://www.ttb.gov/forms>.

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

There are no program changes associated with this information collection. As for adjustments, due to changes in agency estimates, TTB is increasing this collection's number of annual of State and local government respondents and responses from 100 to 125. In turn, that increase in respondents and responses increases this collection's estimated burden hours from 100 to 125. Additionally, TTB is now accounting for respondent mailing costs in order to capture all potential out-of-pocket respondent costs related to this information collection, which TTB estimates to be no more than \$2.00 per response, for a total of cost of \$250.00 for 125 annual responses.

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

TTB will not publish the results of this information 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, TTB is seeking approval not to display the expiration date for OMB approval of this information collection on its related form, TTB F 5000.21. By not displaying that date on the form, TTB will not have to update the form on its intranet website each time OMB reapproves this information collection.

² TTB estimates that each request for information requires, at most, 1 hour of preparation and review by a GS-13 investigator or auditor. TTB estimates the fully-loaded labor rate (hourly wage plus benefit costs) for a GS–13, step 5 Federal employee in Cincinnati, Ohio (the location of TTB's National Revenue Center) to be \$83.96 per hour (\$51.51 wage/hour + \$32.45 in benefit costs, obtained by multiplying hour wage by 1.63). As such, TTB estimates that 125 annual referrals of information result in \$10,495.00 in labor costs to the Federal Government. See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/CIN_h.pdf.

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 information collection does not employ statistical methods.