

Supporting Statement
Recordkeeping Provisions Associated with the Interagency Guidelines on Safety and Soundness Standards for Tax Allocation Agreements.

OMB Control No. 1557-NEW

A. *Justification.*

1. *Circumstances that make the collection necessary:*

This ICR is being submitted in connection with a proposed rule that prescribes PRA recordkeeping requirements for tax allocation agreements that involve institutions supervised by the Federal banking agencies.¹ Each institution that is part of a consolidated group (that is, a bank, holding company, and any affiliates that file income taxes as a single entity) must enter into a written tax allocation agreement with its holding company. The proposal also would describe specific mandatory provisions in these tax allocation agreements, including provisions addressing the ownership of tax refunds received. The respective boards of directors of each institution and its parent holding company must approve the tax allocation agreement. The rule is being adopted under section 39 of the Federal Deposit Insurance Act, which permits the agencies to issue regulations to enhance the safety and soundness of banking organizations that they supervise.

2. *Use of the information:*

The information collection requirement would be used to verify that national banks and Federal savings associations are complying with the rule. Specifically, the collection would validate that national banks and Federal savings associations have tax allocation agreements in place, and that those agreements contain all of the provisions required by the proposed rule. Examiners would be able to monitor compliance with the requirements by reviewing the tax allocation agreements and the provisions therein.

3. *Consideration of the use of improved information technology:*

Respondents may use any type of improved information technology that allows it to meet the requirements of the collection.

4. *Efforts to identify duplication:*

There is no duplication.

5. *If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.*

¹ Office of the Comptroller of the Currency; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation.

There are no alternatives that would result in lowering the burden on small institutions, while still accomplishing the purpose of the rule.

6. *Consequences to the federal program if the collection were conducted less frequently:*

Less frequent collection would undermine the purpose of the rule. The agencies expect institutions to update agreements upon enactment of the final rule and afterwards only upon material changes in Federal income tax law, which typically occur less frequently than annually.

7. *Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 12 CFR part 1320:*

Not applicable.

8. *Efforts to consult with persons outside the agency:*

The OCC issued the information collection for 60 days of comment through a notice of proposed rulemaking.

9. *Payment or gift to respondents:*

None.

10. *Any assurance of confidentiality:*

The information will be kept private to the extent permitted by law.

11. *Justification for questions of a sensitive nature:*

There are no questions of a sensitive nature.

12. *Burden estimate:*

Number of Respondents: 579.

Estimated average hours per response:

Recordkeeping Section 30 Appendix F Initial setup - 20.

Recordkeeping Section 30 Appendix F Ongoing - 1.

Estimated annual burden hours:

Recordkeeping Section 30 Appendix F Initial setup - 11,580.

Recordkeeping Section 30 Appendix F Ongoing - 579.

Total – 12,159 hours.

Cost of Hour Burden

12,159 x 115.19 = \$ 1,400,595

To estimate wages the OCC reviewed May 2019 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities excluding nondepository credit intermediaries (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$115.19 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (3.1 percent as of Q1 2020 according to the BLS), plus an additional 33.4 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2019 for NAICS 522: credit intermediation and related activities).

13. Estimate of total annual cost to respondents (excluding cost of hour burden in Item #12):

Not applicable.

14. Estimates of annualized costs to the federal government:

Not applicable.

15. Change in burden:

This is a new collection.

16. Information regarding collections whose results are to be published for statistical use:

Not applicable.

17. Reasons for not displaying OMB expiration date:

Not applicable.

18. Exceptions to the certification statement:

Not applicable.

B. Collections of Information Employing Statistical Methods.

Not applicable.