

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0004

Authorization to Furnish Financial Information and Certificate of Compliance

Changes Since Last Approval

Changes made to the Supporting Statement since this information collection's last approval:

- Throughout the Supporting Statement, TTB is making minor editorial and grammatical changes for clarity.
- In Question 12, TTB is updating the burden for information collection and is providing an estimate of respondent labor costs.
- In Question 14, TTB is providing a more detailed estimate of its labor costs.
- In Question 15, TTB explains the change in burden estimate for this information collection and explains the minor changes to form TTB F 5030.6.

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; 27 U.S.C. 201 *et seq.*), and the provisions of the Internal Revenue Code (IRC; 26 U.S.C) related to alcohol and tobacco. TTB administers the FAA Act and the relevant provisions of the IRC 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 (the Secretary) has delegated relevant IRC administrative and enforcement authorities to TTB through Treasury Order 120-01.

In general, the FAA Act and the IRC require persons who desire to engage in certain alcohol or tobacco operations to obtain a permit or a registration, or to give a notice (hereafter referred to collectively as "permits").¹ Among other things, the FAA Act and IRC authorize the Secretary to reject a permit application if the applicant, including a corporate officer, director or principal stockholder, does not possess the financial standing necessary to conduct their operations in compliance with Federal law.

¹ In particular, see the permit requirements in the FAA Act at 27 U.S.C. 203 and 204 for beverage alcohol operations, chapter 51 of the IRC at 26 U.S.C. 5171 and 5172 for distilled spirits plants, 26 U.S.C. 5271 for industrial alcohol users, 26 U.S.C. 5351-5353 and 5356 for wine operations, and 26 U.S.C 5401 for brewer's notices, and chapter 52 of the IRC at 26 U.S.C. 5712 and 5713 for tobacco-related businesses.

Under those statutory authorities, the TTB regulations authorize the investigation of permit applicants, during which TTB may request applicants to demonstrate that they have the required financial standing. Those regulations are found at 27 CFR §§ 1.24 and 1.25 for beverage alcohol operations, §§ 19.92 and 19.96 for distilled spirits operations, §§ 40.74 and 40.498 for tobacco product and processed tobacco manufacturers, §§ 41.198 and 41.238 for tobacco product and processed tobacco importers, and § 44.92 for export warehouse proprietors.

Almost all permit applicants voluntarily provide financial information directly to TTB if requested to do so. However, in cases where applicants request that their financial institution provide the requested information to TTB, the Right to Financial Privacy Act of 1978 (the Act; 12 U.S.C. 3401–3422), which limits the Federal Government’s access to the records of individuals held by financial institutions, governs such disclosures. Under the Act, TTB must provide the applicant’s explicit permission to release their information to the financial institution. In addition, TTB must certify to the institution that the Bureau has complied with the Act’s provisions, which relieves the institution of any liability regarding disclosure of the applicant’s records. To meet those requirements, and specific to this information collection, applicants and TTB complete form TTB F 5030.6, Authorization to Furnish Financial Information and Certificate of Compliance, which TTB then submits to the applicant’s financial institution.

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?

In cases where an applicant requests their financial institution to release their information directly to TTB, the Bureau uses this information collection to comply with the requirements of the Right to Financial Privacy Act of 1978. Using TTB F 5030.6, a permit applicant authorizes their financial institution to disclose their records to TTB. In turn, on the same form, TTB provides the required certification of the Bureau’s compliance with the Act, which relieves the financial institution of any liability regarding disclosure of the applicant’s listed records. TTB then sends the completed form to the named financial institution. TTB also provides a copy of the certified form to the applicant, and it retains a copy for its investigative file.²

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>.

² This information collection only concerns the financial record access authorization and compliance certification provided on TTB F 5030.6. OMB has approved TTB’s collection of the actual financial information during a permit investigation other OMB Control Numbers: OMB No. 1513–0018 and OMB No. 1513–0019 for new and amended alcohol beverage-related permits, respectively; OMB No. 1513–0040 for nonbeverage distilled spirits-related permits; and OMB No. 1513–0078 for tobacco-related permits.

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 financial record access authorization and compliance certification provided on TTB F 5030.6 is pertinent and unique to each permit applicant. As far as TTB can determine, such authorizations and certifications are not available elsewhere.

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

To comply with the Right to Financial Privacy Act of 1978, TTB uses the information and certification provided on TTB F 5030.6 to lawfully access the personal records of permit applicants held by financial institutions. The required information is minimal and cannot be waived or reduced simply because an applicant'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?*

Without the access authorization and certification provided on TTB F 5030.6, TTB would not be able to obtain permit applicant records directly from financial institutions in compliance with the Right to Financial Privacy Act of 1978. Without access to such records, TTB could not determine if permit applicants have the financial standing necessary to maintain their operations in compliance with Federal law, which could jeopardize the revenue. Applicants complete this information collection only as required during TTB permit investigations, and, as such, TTB cannot conduct it 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 that would require it to be inconsistent with OMB guidelines.

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, TTB published a "60-day" comment request notice for this information collection in the Federal Register on February 28, 2022, at 87 FR 9420. 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 F 5030.6 contains a “Statement of Customer Rights under the Right to Financial Privacy Act of 1978” describing the confidentiality of personal records held by a financial institution and how a Federal agency may obtain such records. In addition, personnel financial information is generally exempt from disclosure under the Freedom of Information Act, and the IRC at 26 U.S.C. 6103 prohibits disclosure of taxpayer information unless that section specifically authorizes its disclosure. TTB maintains its copies of these forms in secure office space and 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 of a sensitive nature. In addition, this information request does not collect personally identifiable information (PII) in a Government electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this information collection request.

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

Estimated Burden Hours: TTB no longer requires every permit applicant to complete TTB F 5030.6 as part of a permit investigation as most applicants provide copies of bank statements and other financial records directly to TTB. Based on recent data, TTB estimates that, annually, 10 respondents complete this collection once each, resulting in 10 total responses. Further, TTB estimates that respondents require 0.25 hour (15 minutes) to complete a response, resulting in an estimated total annual burden of 2.5 hours.

(10 annual respondents x 1 response each = 10 total annual responses x 0.25 hour per response = 2.5 total annual burden hours.)

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$84.34 per hour for management occupations Beverage and Tobacco Product Manufacturing industries (NAICS 312000), TTB estimates the per-respondent and total respondent labor costs for this information collection as follows:³

³ The Private Sector Fully-loaded Labor Rate = Hourly wage rate x 1.44 to account for employee benefit costs. Per the most recent U.S. Department of Labor, Bureau of Labor Statistics (BLS), data for National Industry-Specific Occupational Employment and Wage Estimates for NAICS 312000—Beverage and Tobacco Manufacturing, the average fully-loaded labor rate for all Management Occupations is \$84.34 per hour. See the BLS website at https://www.bls.gov/oes/current/naics3_312000.htm.

Respondent Labor Costs for OMB No. 1513-0004 (Beverage & Tobacco Manufacturing Industries — Management Occupations) Average Fully-Loaded Labor Rate = \$84.34/hour*					
Avg. Time / Response	Fully-loaded Labor Rate / Response	Responses / Respondent	Labor Costs / Respondent	Total Responses	Total Labor Costs
0.25 hour	\$21.09	1	\$21.09	10	\$210.90

* The fully-loaded labor rate and respondent labor costs rounded to the nearest whole cent.

Recordkeeping: There is no stated recordkeeping requirement for this information collection. The financial information access authorization granted by applicants to TTB using TTB F 5030.6 is in effect for 3 months.

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)?*

TTB believes that respondents to this very occasional collection do not have any non-labor costs other than mailing supply and postage costs. As such, TTB estimates that the 10 annual respondents to this collection have no more than \$2.00 in mailing supply and postage costs each for their one annual response, which results in a total of \$20.00 in such costs for the 10 annual responses to this collection.

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

TTB estimates of the annual cost to the Federal Government for this information collection are as follows:

General costs: TTB has no printing and distribution costs for this information collection due to the availability of its forms on its website (see <https://www.ttb.gov/forms>). As for overhead and other costs for this collection, after TTB completes its portion of TTB F 5030.6, it mails one copy to the financial institution in question and one copy to the permit applicant. As such, TTB estimates its copying, mailing, and postage costs to be no more than \$4.00 per response, resulting in a total of \$40.00 for the 10 annual responses to this collection.

Labor costs: TTB estimates the annualized labor costs to the Federal Government for this information collection request as follows:

Labor Costs for OMB No. 1513-0004 for TTB Personnel at the National Revenue Center in Cincinnati, Ohio					
Position	Fully-loaded Labor Rate per Hour ⁴	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$33.27	0.1 hour	\$3.33	10	\$33.30
GS-13, Step 5, Supervisor	\$87.76	0.3 hour	\$26.33		\$263.30
TOTALS	(\$74.15)	0.4	\$29.66	10	\$296.60

* Fully-loaded labor rates and Federal employee labor costs rounded to the nearest whole cent.

Total Costs: Given the above, TTB estimates that the total cost to the Federal Government for this collection is **\$336.60**.

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

Program Changes and Adjustments: There are no program changes associated with this information collection at this time. As for adjustments, due to changes in agency estimates, TTB is decreasing the number of annual respondents, responses, and burden hours for this information collection, from 240 to 10 respondents, from 240 to 10 responses, and from 60 to 2.5 burden hours. The use of this collection by respondents has declined significantly in recent years because TTB no longer requires all permit applicants to complete form TTB F 5030.6 as almost all applicants provide their financial information directly to TTB.

Form Changes: On form TTB F 5030.6, in the instructions, TTB is removing references to “the Director” of the National Revenue Center (NRC), as TTB no longer uses that position title. However, respondents will continue to mail the form and any related correspondence to the Cincinnati, Ohio, address stated on the form. In addition, in the form’s Paperwork Reduction Act notice, TTB is revising the title of the person to whom respondent direct comments regarding the information collection and its burden, from “Reports Management Officer,” to “Paperwork Reduction Act Officer,” and is adding a reminder to respondents not to mail completed forms to the stated information collection comment submission address.

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?*

⁴ Federal Government Fully-loaded Labor Rate = Hourly wage x 1.63 to account for employee benefit costs. Per the most recent Office of Personnel Management (OPM) salary tables for Federal employees in the Cincinnati, Ohio, wage region, the hourly fully-loaded wage rates for TTB employees are as follows: (1) \$33.27 for GS-5 (step 5), (2) \$60.99 for GS-11, step 5, and (3) \$87.76 for GS-13, step 5. See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN_h.pdf.

TTB will display the expiration date for OMB approval for this information collection on its related form, TTB F 5030.6.

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.