**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement –– Information Collection Request**

**OMB Control Number 1513–0001**

**Tax Information Authorization**

**Changes Since Last Approval**

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

* In Question 8, TTB is updating the 60-day notice publication information for this information collection.
* In Question 12, based on the latest data available, TTB is updating the number of annual respondents, responses, estimated burden hours, and respondent labor costs associated with this information collection. In addition, TTB is explaining the record retention requirements for this information collection.
* In Question 13, TTB is revising the other respondent costs for this information collection.
* In Question 14, is revising the costs to the Federal Government for this information collection.
* In Question 15, TTB explains the adjustments to respondent burden associated with this information collection.

**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.) 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 has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120–01.

While the IRC at 26 U.S.C. 6103 generally prohibits disclosure of tax returns and taxpayer information to unauthorized persons, paragraph (c) of that section authorizes the disclosure of such information to a person or persons designated by the taxpayer. The Department of Treasury regulations governing disclosures of taxpayer information under 26 U.S.C. 6103(c) are found in 26 CFR 301.6103(c)-1. Additionally, within the Department’s regulations governing conference and practice requirements, 26 CFR 601.523 provides that a taxpayer may authorize a representative to receive otherwise confidential tax information related to alcohol, tobacco, and firearms activities. Under that regulation, and specific to this information collection, excise taxpayers regulated by TTB complete Part I of form TTB F 5000.19 to authorize a designated representative, who does not have a power of attorney, to obtain otherwise confidential tax information from TTB regarding the taxpayer. When that designated person is an attorney or certified public accountant who also will represent the principal in conference with TTB, the attorney or accountant completes the declaration in Part II of the form in order to satisfy 26 CFR 601.521, which requires such persons to submit evidence regarding their recognition to practice.

The information respondents provide to TTB using TTB F 5000.19 is necessary to ensure that TTB discloses a respondent’s otherwise confidential tax-related information only to a person authorized by the respondent to receive such information.

This information collection is aligned with––

* Line of Business/Sub-function: General Government/Taxation Management.
* IT Investment: Tax Major Application Systems.

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

TTB uses the information provided by taxpayers on TTB F 5000.19 to ensure that TTB disclosures a taxpayer’s otherwise confidential tax-related information only to a person designated by the taxpayer to receive such information. The form identifies the taxpayer, the taxpayer’s designated representative, and the scope of the information that the representative is authorized to receive. When the designated representative also is an attorney or certified public accountant who will represent the respondent before TTB, the form also provides a declaration by which the representative can satisfy the Treasury Department’s regulatory requirement to submit evidence of their recognition to practice.

*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 5000.19 is available as a fillable-printable form on the TTB Web site at *https://www.ttb.gov/forms*.

*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?*

This collection contains information pertinent to each respondent and applicable to the specific issue of identifying a taxpayer’s representative authorized to obtain otherwise confidential taxpayer information. 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?*

The Department of the Treasury requires all entities, regardless of size, that wish to designate a representative to receive their confidential tax information, who does not otherwise have power of attorney, to submit an authorization for that representative to receive such information. Waiver or reduction of this requirement, simply because a respondent's business is small, could result in the release of confidential taxpayer information to unauthorized persons in violation of Federal law. However, given the limited and occasional nature of this information collection, TTB believes that it does not have a significant impact on small entities.

*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 request the information collected on TTB F 5000.19, its personnel would not know if a person requesting confidential taxpayer information is authorized by the taxpayer to receive such information. This could cause TTB personnel to violate the statutory taxpayer privacy provisions of the IRC at 26 U.S.C. 6103.

*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, TTB published a “60-day” comment request notice for this information collection in the Federal Register on July 21, 2023, at 88 FR 47235. TTB received no comments regarding 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 26 U.S.C. 6103 prohibits disclosure of tax returns and related information unless that section or the taxpayer specifically authorizes such disclosure. TTB also maintains the collected information in password-protect computer systems and in 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?*

Estimated Burden: Respondents complete this information collection only on an as-needed basis. Based on recent data, TTB estimates that, annually, 5 private sector businesses and 5 individuals complete this information collection one time, for a total of 10 annual respondents and responses. TTB further estimates that each response takes up to 1 hour to complete, for an estimated total annual burden of 10 hours.

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

The average fully-loaded labor rate for Management Occupations in the Beverage and Tobacco Product Manufacturing Industries is $80.29.[[1]](#footnote-2) Given that each respondent makes 1 annual response to this information collection at 1 hour per response, each respondent has $802.90 in annual labor costs for this collection, and, given a total of 10 annual responses, this collection results in total respondent labor costs of $802.90.

Record Retention: There is no specified respondent record retention requirement for this information collection. TTB maintains the provided tax information authorizations for as long as an authorization is valid.

*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)?*

Respondents complete this information collection only on an as-needed basis using readily available information. As such, there are no non-labor 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 $20.00 for 10 total annual responses.

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

TTB estimates the annual costs to the Federal Government for this collection as follows:

|  |
| --- |
| **Labor Costs for Personnel at TTB Personnel in Cincinnati, Ohio 1513–0001** |
| Position | Fully-loaded Labor Rate/Hour[[2]](#footnote-3) | Processing Time per Response | Labor Costs per Response | Total Responses | Total TTB Labor Costs |
| GS–5, Step 5, Clerk  | $34.75 | 6 minutes | $3.475 | 10 | $34.75 |
| GS–11, Step 5, Specialist | $63.72 | 12 minutes | $12.744 | $127.44 |
| **Totals**  | **($54.0633)** | **18 minutes** | **$16.219** | **10** | **$162.19** |

There are no TTB overhead costs associated with this low-volume information collection. In addition, printing and distribution costs to the Federal government have decreased to $0.00 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 a change in agency estimates, TTB is decreasing the number of annual respondents, responses, and burden hours associated with this information collection, from 50 to 10 respondents, from 50 to 10 responses, and from 50 to 10 burden hours.

*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 for both TTB and the public, TTB is seeking approval not to display the expiration date for OMB approval of this information collection on its related form, TTB F 5000.19. By not displaying that date on the form, TTB will not have to update the form on its website each time OMB reapproves this information collection. Similarly, respondents and other businesses will not have to update stocks of the paper form, self-produced electronic copies of the form, or versions of the form made for sale to other businesses. Additionally, not displaying the information collection’s OMB approval expiration date on the form will avoid confusion among members of the public who may have copies of the form with different expiration dates in their possession.

*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.

1. Fully-loaded labor rate = hourly wage + benefit costs, calculated for private sector positions as hourly wage x 1.44. TTB believes that most respondents to this information collection are in management occupations within the alcohol beverage and tobacco product manufacturing industries. Per the latest U.S. Department of Labor, Bureau of Labor Statistics, National Industry-Specific Occupational Employment and Wage Estimates for NAICS 312000—Beverage and Tobacco Manufacturing, the average fully-loaded labor rate for management occupations is $80.29 per hour, based on an average wage of $55.76. See Bureau of Labor Statistics wage information at *https://www.bls.gov/oes/current/naics3\_312000.htm*. [↑](#footnote-ref-2)
2. Federal Government Fully-Loaded Labor Rate = Hourly wage rate x 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) hourly wage data, the fully-loaded labor rates per hour for TTB’s National Revenue Center located in the Cincinnati, Ohio wage area are: (1) For a GS–5, step 5, employee, $34.75, based on hourly wage of $21.32; and (2) for a GS–11, step  5, employee, $63.72, based on hourly wage of $39.09. See the OPM Federal wage table at *https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/DCB\_h.pdf*. [↑](#footnote-ref-3)