

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0001

Tax Information Authorization

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 those regulations, and specific to this information collection, taxpayers 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 the requirement of 26 CFR 601.521 to submit evidence of their recognition to practice.

The information that respondents provide to TTB using TTB F 5000.19 is necessary to ensure that TTB makes disclosures of 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 discloses 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 who is 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 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 May 7, 2020, at 85 FR 27272. 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 provided by TTB personnel who process TTB F 5000.19, the Bureau estimates that, annually, 40 private sector businesses and 10 individuals complete

this information collection one time, for a total of 50 annual respondents and responses. TTB further estimates that each response takes up to 1 hour to complete, for an estimated total annual burden of 50 hours.

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

Average fully-loaded labor rate for Management Occupations (Beverage and Tobacco Product Manufacturing) = \$83.20/hour x 1 hour per response = \$83.20 per response x 50 annual responses = \$4,160.00 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)?*

Respondent complete this information collection only on an as-needed 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 \$100.00 for 50 annual responses.

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

Estimates of annual cost to the Federal Government are:

Overhead	\$50.00
Salary costs (review, supervisory, etc.) ²	\$2,946.00
TOTAL COSTS	\$2,996.00

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?*

¹ 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 (hourly wage plus benefit costs) for management occupations is \$83.20 per hour (\$57.78/hour + \$25.42 in benefit costs). See Bureau of Labor Statistics wage information at https://www.bls.gov/oes/current/naics3_312000.htm.

² TTB estimates that each response requires 1 hour of review by a GS-11 specialist. TTB further estimates the fully-loaded labor rate (hourly wage plus benefit costs) for a GS-11, step 5 Federal employee in Cincinnati, Ohio (the location of TTB's National Revenue Center) to be \$58.91 per hour (\$36.14/hour + \$22.77 in benefit costs), TTB estimates that the 50 annual responses to this information collection result in a total of \$2,946.00 in Federal Government labor costs. See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/CIN_h.pdf.

There are no program changes associated with this information collection. As for adjustments, due to a change in agency estimates, TTB is accounting for respondent mailing costs in order to capture all potential out-of-pocket respondent costs related to this information collection. TTB estimates respondent mailing costs to be no more than \$2.00 per response, for a total of cost of \$100.00 for 50 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 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 collection does not employ statistical methods.