

# **TRUST FUND COLLECTION WORKING GROUP Charter**

## **SECTION 1. PURPOSE**

The “Wildlife” and “Sport Fish Restoration and Boating” Programs are funded through the collection of excise taxes and import duties paid by the manufacturers of sport fishing, archery and boating equipment, firearms and ammunition, and from the tax collected on fuel used in recreational motorboats as established by formula.

The Trust Fund Collection Working Group (TFCWG) was initiated by the Association of Fish and Wildlife Agencies (AFWA), which represents the States and uses funds collected for on-the-ground restoration projects. AFWA asked the Federal Agencies responsible for collecting and managing excise taxes and import duties to search for ways to ensure accurate and consistent collection of taxes and duties and to exercise fair application of the tax code. Hence, the TFCWG was formed to encourage cooperation and enhance communication among parties with interests and roles in the payment, prediction, collection, management, administration and expenditures of excise taxes and import duties that finance the Sport Fish Restoration and Boating Trust Fund (SFRBTF) (70X8147) and the Federal Aid to Wildlife Restoration Fund of 1975 (\*\*5029). The management of these funds and accounts are dictated by law (26 U.S.C. 9504) (16 U.S.C. 669).

This is a unique cycle of tax collection and disbursement that unite the manufacturers of sport fishing, hunting and boating equipment and the anglers, boaters, hunters and recreational shooters through their purchase of taxed items associated with the pursuit of their sports. These taxes and duties collected are the funding sources for the Wildlife Restoration and Sport Fish Restoration and Boating Programs that operate under the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. et seq) and the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C. 777 et seq) which, in turn, provide critical funds to State/Territorial Fish and

Wildlife and Boating Agencies to manage the Nation's fish and wildlife and boating resources that will be enjoyed by millions of Americans who annually fish, hunt, boat, or participate in wildlife related recreation.

## **SECTION 2. GOALS**

The partnership's foundation is to ensure there is accurate and consistent collection of taxes and import duties and equitable and fair application of the tax code to support State fish and wildlife restoration and boating programs. Based on this common platform, members of the TFCWG and concerned partners identified the following mutually beneficial goals:

- Vitalize, formalize and expand collection efforts and encourage the recognition of commonalities and shared goals and to foster mutual support among all participants
- Identify common concerns and ways to resolve outstanding issues (task-oriented outcomes), secure communication links, create efficiencies and synergistic actions among participants, and identify information and education needs and fill information voids
- Support the Federal tax collection agencies in their efforts to improve consistency in application of tax codes by developing: (a) tools to communicate the requirements of the tax code to manufacturers; (b) a clear message from tax collectors on how to comply with the tax code and on how the tax code will be applied; (c) answers to questions regarding the most commonly misunderstood provisions (e.g, Who is the manufacturer? Who is the importer? What is the constructive sales price? What constitutes related party sales?); and (d) identifying how greater compliance with the tax code by industry benefits fish and wildlife restoration and boating programs
- Understand processes and roles of industry/manufacturers and Federal and State participants to protect the integrity of this initiative by: (a) reaching a common understanding of the history of supply chains and their affect on taxes collected; (b)

improving process efficiencies (e.g., filing payments electronically and improving information collected on tax forms to help identify the taxpayer); and, (c) reaching a common understanding of how dollars flow from collection through its expenditure by State Agencies on fish and wildlife restoration and boating projects

- Agree on how to measure progress and success and celebrate successes and educate on the value of this initiative!

### **SECTION 3. STRATEGIES**

The strategies of the TFCWG to achieve identified goals are:

- Formalize communication among interested parties
- Identify, document and prioritize key issues of common concern or interest
- Establish cooperative efforts to resolve identified key issues
- Expand membership or invite ex officio participation in the TFCWG to resolve identified key issues

In order for processes to flow efficiently, coordination and communication will be facilitated through the work conducted by Committees established by and their members appointed by the principals on the TFCWG.

### **SECTION 4. ROLES/RESPONSIBILITIES OF THE PARTIES**

This unique tax collection and disbursement cycle affects the Federal Agencies that predict, collect, manage and administer these funds, the industry representatives and manufacturers that pay the taxes and import duties, and the State representatives that administer and expend these funds on wildlife and sport fish restoration projects. The initial membership of the TFCWG is listed below in the spirit of inclusion so that comprehensive and holistic approaches can be taken on identified key issues that need to be resolved. Membership on the TFCWG or on Committees can be expanded as necessary to address and resolve issues.

## **Federal Agencies**

### **Internal Revenue Service (IRS)** – Department of the Treasury

Wanda Griffin – Director, Specialty Exam Policy, SB/SE

Kellie McCann – Excise Tax Policy Program Manager, SB/SE

Tim Boes – Excise Tax Policy Analyst, Sport Fishing and Archery, SB/SE (616/365-4620)

*General Responsibilities:* The IRS mission is to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. As part of its mission, the IRS administers excise tax on sport fishing equipment (including fishing rods and fishing poles), electric outboard motors, fishing tackle boxes, bows, archery equipment, quivers, broadheads, points and arrow shafts.

### **Bureau of Customs and Border Protection (CBP)** – Department of Homeland Security

Jeffery Colin Nii – Director, Interagency Collaboration Division – Office of Trade (202/863-6011)

Julie Stoeber – Chief, Trade Policy and Programs – Office of Trade (202/945-7064)

Teiko Griffin – Field Operations Specialist – Office of Field Operations (202/344-2698)

Cary Wilson, Section Chief, Revenue Division, Office of Finance (317-614-4917)

Dennis Lomax – Customs National Finance Center (317/298-1200)

*General Responsibilities:* CBP officer and Agriculture Specialist positions serve at the Nation's ports of entry and provide the American public, travelers and the international trade community with "one face at the border." CBP collects import duties from importers of (yachts and pleasure) boats, sport fishing equipment and arms and ammunition.

### **U.S. Fish and Wildlife Service (FWS)** – Department of the Interior

Paul Rauch – Assistant Director – Wildlife and Sport Fish Restoration Programs (202/208-1050)

Robert Curry – Deputy Assistant Director – Wildlife and Sport Fish Restoration Programs (703/822-1885)

Kathy Hollar – Manager, Division of Policy and Programs (360/210-6468)

Lori Bennett – Conservation and Program Assistance Coordinator (703/358-2033)

*General Responsibilities:* The Sport Fish Restoration Account (SFR) (14X8151) and the Wildlife Restoration Account (WR) (14X5029) are accounts within the FWS, which receive monies from Trust Fund Receipt and Special Fund Receipt Accounts managed by the Department of the Treasury. Receipts deposited by Treasury in the WR account are destined for investment by FWS and disbursement through grants administered by the FWS. Funds transferred to the SFR account are destined for disbursement through grants administered by the FWS, Corps of Engineers, and Coast Guard. FWS relies on timely information regarding the status of Treasury-held receipts to manage its Wildlife and Sport Fish Restoration Programs and to inform the President, Congress, and States and Territories on the amount of available funding each fiscal year for these grant programs.

**Alcohol and Tobacco Tax and Trade Bureau (TTB) – Department of the Treasury**

Ron King – Section Chief, Tax Services Division, National Revenue Center (513/684-2701)

Jesse Longbrake – Regulations Specialist, Regulations and Rulings Division (202/453-2066)

*General Responsibilities:* TTB is responsible for the administration and collection of Federal Firearms and Ammunition Excise Tax (FAET) from firearms and ammunition manufacturers, producers and importers. The tax is based on the sales price at the rate of 10% on handguns (pistols and revolvers) and 11% on other firearms (rifles, shotguns, machine guns etc.) and shells and cartridges (ammunition). This tax is due at the time of sale or use by the manufacturer, producer or importer. These receipts are deposited directly into Treasury's Special Fund Receipt Account (14X5029.3) for investment and disbursement from the Wildlife Restoration Account (14X5029) to grantees participating in Wildlife Restoration Grants administered by the FWS. TTB is responsible for collecting and reporting the status and disposition of these manufacturers excise tax receipts to the FWS on a monthly basis.

**Coast Guard (CG) – Homeland Security**

Verne Gifford – Boating Safety Division (202/372-1051)

Pavlo Oborski – Boating Safety Division (202/372-1055)

Barry Nobles – Boating Safety Division (202/372-1050)

*General Responsibilities:* The Coast Guard receives funds from the Sport Fish Restoration and Boating Trust Fund (SFRBTF). These funds are destined for disbursement through grants

administered by the Coast Guard to help prevent deaths and injuries of recreational boaters. USCG relies on timely information regarding the status of Treasury-held receipts to manage its Boating Safety Program and to inform the President, Congress, and States and Territories, and the public on the amount of available funding each fiscal year for this grant program. The Coast Guard is further responsible to collect the annual state data on registered motorboats and submit that data to Treasury, who then uses this to determine the boating fuel tax revenues that are deposited in the SFRBTF each year.

**Office of Tax Analysis (OTA)** – Department of the Treasury

Edith Brashares – Director, Office of Tax Analysis (202/622-0269)

*General Responsibilities:* The Business and Individual Revenue Divisions within the OTA estimates all Federal receipts, including earmarked revenue allocated to various Treasury Trust and Special Funds. The Divisions provide the Office of the Fiscal Assistant Secretary with monthly receipts forecasts for use in determining the timing and size of government borrowing and calculate amounts to be deposited into federal trust funds. OTA assists the IRS in developing studies of tax compliance, revising tax forms, and formulating and reviewing tax regulations. OTA is responsible for forecasting the amount of future receipts anticipated for collection annually over the next ten years and for providing estimates or forecasts of such receipts at least on an annual basis.

**Bureau of the Fiscal Service (BFS)** – Department of the Treasury

Tim Gribben – Commissioner

Susan Chapman – Director, Funds Management Branch (304/480-5110)

*General Responsibilities:* As Treasury's designated manager of the SFRBTF, BFS acts on behalf of the Secretary of the Treasury for funding, accounting, and reporting activities within the SFRBTF and for investment and redemption decisions. BFS records bimonthly receipts of taxes, invests funds not needed for current withdrawals of the implementing grant program agencies, develops the investment plan, and invests the funds consistent with the approved investment plan. BFS prepares monthly financial statements for the consolidated SFRBTF. The US Fish and Wildlife Service (in cooperation with the US Coast Guard and the Corps of Engineers) provides projected cash requirements for disbursements of trust funds and BFS

advises on what investments are available to the trust fund suitable to the implementing agencies' requirements. The FWS provides BFS with guidelines for investing current receipts as well as re-investing interest and maturities.

## **Industry Representatives**

### **Archery Trade Association (ATA)**

Dan Forster, Vice President and Chief Conservation Officer (770/601-5038)

The Archery Trade Association is the organization for manufacturers, retailers, distributors, sales representatives and others working in the archery and bowhunting industry. The ATA has served its members since 1953. ATA works to increase the recruitment and retention of new, current and once-active archers and bowhunters. ATA is the driving force in defending, educating, and lobbying for the greater good of the industry and sport. ATA preserves and promotes archery and bowhunter's rich heritage to ensure active consumer participation, and successful manufacturing and retailing for generations to come.

### **Sporting Arms and Ammunition Manufacturers' Institute (SAAMI)**

The Sporting Arms and Ammunition Manufacturers' Institute is an association of the nation's manufacturers of sporting firearms, ammunition, and components. SAAMI was founded in 1926 at the request of the federal government and tasked with the creation and publication of industry standards, coordination of technical data, and the promotion of safe and responsible firearms use.

### **National Shooting Sports Foundation (NSSF)**

Larry Keane, Senior Vice President for Gov't & Public Affairs & General Counsel

NSSF's purpose is to provide leadership in addressing industry challenges and delivering programs and services to meet the identified needs of our members by advancing participation in and understanding of the hunting and shooting sports. Formed in 1961, The National Shooting Sports Foundation (NSSF) is the trade association for the firearms, ammunition, hunting and recreational shooting sports industry.

### **Wildlife Management Institute (WMI)**

Jonathan Gasset, Industry/Agency Liaison (502/330-9025)

WMI was established in 1911 by sportsmen/businessmen gravely concerned about the dramatic declines of many wildlife populations. WMI works mostly on request with federal and provincial agencies, Congress, college and university researchers and educators, other private conservation organizations, and professional associations. It advises, testifies and, in a variety of other ways, provides educational services on timely wildlife-related issues.

### **American Sportfishing Association (ASA)**

Mike Leonard, Vice President, Government Affairs (703/519-9691, ext 230)

The American Sportfishing Association is the sportfishing industry's trade association. ASA promotes the enduring social, economic, and conservation values of sportfishing in America by:

- Uniting more than 800 members of the sportfishing and boating industries with state and federal natural resource agencies, conservation organizations, angler advocacy groups, and outdoor journalists.
- Advocating for the interests of our members and America's 60 million anglers.
- Representing the sportfishing industry's contributions toward a \$125 billion-a-year impact on the nation's economy.
- Offering support to help member companies succeed.
- Working shoulder-to-shoulder with conservation and recreation groups in the nation's capital and in our states and communities.

### **American Fly Fishing Trade Association (AFFTA)**

Jim Bartschi, Board Chairman

Jesse Haller, Vice Chairman of the Board

The American Fly Fishing Trade Association is the sole trade organization for the fly fishing industry. AFFTA's mission is to promote the sustained growth of the fly fishing industry.

These efforts focus on three primary strategic goals: (1) Further developing the market for fly fishing products via consumer promotion of the sport. (2) Represent industry with government



agencies to further the industry's agenda to protect the natural aquatic resources. (3) Promote healthy fly fishing environments and sportfisheries.

### **National Marine Manufacturer's Association**

David Dickerson, State Government Relations

Clay Crabtree, Federal Affairs

The National Marine Manufacturers Association (NMMA) is a national trade association representing boat, marine engine and accessory manufacturers. NMMA is a unifying force and powerful voice for the recreational boating industry, working to strengthen and grow boating.

### **State Representatives**

#### **Association of Fish and Wildlife Agencies (AFWA)**

Ron Regan – Executive Director, (202/838-3453)

Lane Kisonak – Association Counsel, (202/838-3456)

The Association of Fish and Wildlife Agencies was founded in 1902 as a quasi-governmental organization of public agencies charged with the protection and management of North America's fish and wildlife resources. The Association has been a key organization in promoting sound resource management and strengthening federal, state, and private cooperation in protecting and managing fish and wildlife and their habitats in the public interest.

#### **Fish and Wildlife Trust Funds Committee (AFWA)**

Bryan Burhans, Chair

The AFWA Fish and Wildlife Trust Funds Committee plays a primary role in guiding actions of the Association that maintain and enhance funding for fish and wildlife agencies derived from the Sport Fish Restoration and Wildlife Restoration programs and related Federal Assistance programs. The Committee will work to promote efficient and effective administration of federal assistance funds, ensure accountability, demonstrate success stories

and help facilitate the timely and accurate accumulation and flow of funds. Representatives from the Trust Fund Collection Working Group report progress to the Fish and Wildlife Trust Funds Committee of the AFWA twice annually so that States may understand developments and progress made by the Working Group.

### **National Association of State Boating Law Administrators**

The National Association of State Boating Law Administrators (NASBLA) is a national nonprofit organization that works to develop public policy for recreational boating safety. NASBLA represents the recreational boating authorities of all 50 states and the U.S. territories. The organization is a key partner to reducing risks to recreational boaters through grants funded by the SFRBTF.

## **SECTION 5. OPERATIONAL PROCESS**

The first Co-Chairs of the Trust Fund Collection Working Group will be the IRS (Director, Specialty Programs, SB/SE) and the FWS (Assistant Director – Wildlife and Sport Fish Restoration Programs). It is envisioned that the first focus of the TFCWG will be the issue of compliance. As the focus of the TFCWG changes, the Chairs may change.

Beginning in 2021 the Co-Chairs of the TFCWG will be as follows:

- 1) Assistant Director, Wildlife and Sport Fish Restoration Program, U.S. Fish and Wildlife Service
- 2) A state fish and wildlife agency director appointed by the president of the Association of Fish and Wildlife Agencies.

In the event that either Co-Chair steps aside, the Service or the Association shall appoint his/her respective successor.

The TFCWG may meet with a frequency elected by majority vote of the membership; however, frequency should be no less than once per calendar year. The requisite annual meeting should be held in February to allow the Co-Chairs of the TFCWG to measure and report progress at the North American Wildlife and Resources Conference (in March) to the

Association of Fish and Wildlife Agencies, where TFCWG progress reports to the Trust Fund Committee of the AFWA.

Committee membership is determined by the principals on the TFCWG and Committee Chairs may be determined by the Committee members. There will be no standing committees established, but rather committees will be “issue-driven” and formed only as necessary to accomplish specific work goals or tasks. Committee Chairs will prepare periodic status reports for the TFCWG. These status reports will provide updated information on the progress achieved on resolving assignments and indicate whether decisions or corrective actions are recommended for action by the principal parties on the TFCWG.

## **SECTION 6. PERIOD OF PERFORMANCE**

The TFCWG agrees that every fourth year, this Charter will be reviewed by the principal members of the TFCWG. Review will ensure that the need, purpose and function of the TFCWG remain updated, appropriate and timely to meet the management needs and responsibilities of the principal members of the TFCWG. Also, products and delivery schedules of Committees will be reviewed to accommodate new developments and reflect the changing needs of the principal parties.

## **SECTION 7. APPROVAL**

Approved by Bryan Burhans,

September 2021

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Fish and Wildlife Trust Funds Committee Chair

Date