EFFECTIVE DATE

(09-15-2023)

PURPOSE

(1)   This transmits revised IRM 11.4.2, Office of Governmental Liaison, Data Exchange Program

MATERIAL CHANGES

(1)   Editorial changes have been made throughout to update IRM/organizational references and processing dates, clarify existing procedures and make text easier to follow. Web references were added/updated throughout to make text easier to research in electronic media.

(2)   Throughout this IRM section, replaced 1099-MISC with 1099-NEC and replaced Secure Data Transfer (SDT) with approved secure electronic transmission.

(3)   11.4.2.1 - Added (6) to identify Primary Stakeholders for this IRM.

(4)   11.4.2.1.2 - Updated reference to delegation order from IRM 1.2.2.11.1, Delegation Order 11-2 (Rev. 3), Authority to Permit Disclosure of Tax Information and to Permit Testimony or the Production of Documents, to IRM 1.2.2.12.2, Delegation Order 11-2 (Rev. 4), Authority to Permit Disclosure of Tax Information and to Permit Testimony or the Production of Documents.

(5)   11.4.2.1.4 - Added "Program Management and Review" to align with internal control component requirements and accurately reflect the program's management and review responsibilities.

(6)   11.4.2.3(2) - Removed reference to GLDS Data Services home page for non-GLDEP exchanges, site no longer exists.

(7)   11.4.2.4(1) - Revised GLDS Data Services intranet site to accurately reflect and point to the new SharePoint site located at: *https://irsgov.sharepoint.com/sites/ga078wvq3b/SitePages/The-Governmental-Liaison-Data-Exchange-Program-(GLDEP).aspx*

(8)   11.4.2.4(2) - Replaced "FTA Data Exchange E-List" with "IRS Extract E-List "and updated the link to the correct FTA web page at: *https://taxadmin.org/communities-e-lists/.*

(9)   11.4.2.5.1(1) - Replaced "June until the beginning of September" with "June until the last week of August" to address change in the annual enrollment processing.

(10) 11.4.2.5.1(2) - Added new bullet "Each agency must complete GLDEP Enrollment Form, Signature Page, and Need and Use Justification Form. The Safeguard Security Report Notice should be signed by the GL and a copy sent to the agency. Completed enrollment package with the signed Safeguard Security Report Notice need to be returned to the designated Data Services GLDEP analyst by the due date."

(11) 11.4.2.5.2(1) - Replaced "ODES forms" with "ODES tables" and further clarified actions required for the ODES process to include "Completed ODES tables, with the signed authorization/signature form, should be returned by GL to the designated Data Services GLDEP analyst timely. Approved ODES selections will be provided to each tax agency enrolled in BMF/BRTF and/or IMF/IRTF extracts."

(12) 11.4.2.5.2(2) - Added new bullet "State tax agencies must be enrolled in BMF/BRTF and/or IMF/IRTF prior to selecting the optional data elements."

(13)   11.4.2.5.2(3) - Added language to address packages being submitted timely, by the date requested. The authorization/signature document must be digitally signed by the state tax agency, DM, and GL, and submitted with the completed ODES tables.

(14)   11.4.2.6(1) -Replaced "Record Layout "with "Descriptive Record Layout" and alphabetized the basic sections of the specification books.

(15)   11.4.2.6(3) and (4) - Reordered paragraphs to align alphabetically with the description in paragraph (1).

(16)   11.4.2.6(5) - Replaced "OUO supplement must be sent to the enrolled agencies by hard mail or fax (not email)" with "GLs should send the OUO supplement to enrolled agencies via an authorized transmission method", updated GLDEP SharePoint location, and added a new bullet stating "Each spec book is to be used only for the extract year or tax year for which it was designated."

(17)   11.4.2.7(2) - Added ZIP Code, SSN, or EIN as an option for certain extracts.

(18)   11.4.2.7(2)(a) - Added new subparagraph: Extract data provided to city tax agencies is based on a verified ZIP Code listing for the city. City tax agencies can choose to submit tickler files by SSN or EIN within their ZIP Code area.

(19)   11.4.2.7(3) - Added language to address some extracts distributed more frequently than annually, the data may be cumulative and not require recreation as it may be available through the next distribution, refer to the relative spec book for additional details.

(20)   11.4.2.7.1(3) - Replaced "The payment information provided on the extract is limited to Box 7 (nonemployee compensation) of the Form 1099-MISC" with "The payment information provided on the extract is limited to box 1 (nonemployee compensation) and box 4 (federal income tax withheld) of the Form 1099-NEC, Nonemployee Compensation."

(21)   11.4.2.7.2(1)-(8) - Replaced bullets with numbered paragraphs.

(22)   11.4.2.7.6(2) - Replaced "April 30 "with "March 1".

(23)   11.4.2.7.8(2) - Replaced "January" with "February".

(24)   11.4.2.7.9(3) - Replaced "Form 1040A, U.S. Individual Income Tax Return, or Form 1040EZ, Income Tax Return for Single Filers and Joint Filers With No Dependents" with "Form 1040-NR, U.S. Nonresident Alien Income Tax Return, Form 1040-SR, U.S. Income Tax Return for Seniors."

(25)   11.4.2.7.11(1)-(11) - Replaced bullets with paragraphs.

(26)   11.4.2.7.17(2) - Added new paragraph, "State agencies must be enrolled in both BMF & BRTF and/ or IMF & IRTF to participate in SRFMI, and renumbered remaining paragraphs.".

(27)   11.4.2.10(3) - Revised to clarify testing is done prior to the production run for the IMF/IRTF and BMF/BRTF extracts to ensure the data is populated appropriately and any IT changes are reflected correctly.

(28)   11.4.2.10(4) - Replaced "Prior to distributing the extract to the enrolled agencies, IMF/IRTF and BMF/BRTF extracts" with "BMF/BRTF and IMF/IRTF extracts are customized for each enrolled agency through the ODES process, these extracts."

(29)   11.4.2.11.5(1) - Replaced "Review the request for completeness and then forward the request to Information Technology (IT) for review and approval or disapproval" with "The modification request will be documented and assigned a unique number. Upon confirming the modification request is complete, it will be sent to IT for review and approval or disapproval."

(30)   Exhibit 11.4.2-2 - Incorporated acronyms not originally included.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 11.4.2 dated December 3, 2020.

AUDIENCE

This IRM is intended for all employees of Governmental Liaison, Disclosure and Safeguards.

RELATED RESOURCES

(1)   The Disclosure and Privacy Knowledge Base is available at the following web address: *https://portal.ds.irsnet.gov/sites/vl003/pages/default.aspx*

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11.4.2
Data Exchange Program

Table of Contents

11.4.2.1 (09-15-2023) **Program Scope and Objectives**	(1)	Purpose: This IRM provides instruction on the Governmental Liaison Data Exchange Program (GLDEP) which involves the disclosure of federal tax information (FTI) under the authority of IRC 6103(d) to state tax agencies for state tax administration purposes.
	Note:	For purposes of the GLDEP, a state is defined as any of the 50 states, the District of Columbia, certain U.S. possessions or territories, regional income tax agencies and any municipality with a population in excess of 250,000 that imposes a tax on income or wages according to IRC 6103(b)(5).
	(2)	Audience: This IRM provides procedures applicable to Governmental Liaison, Disclosure and Safeguards (GLDS) personnel.
	(3)	Policy Owner: Data Services, under GLDS, is responsible for administering the GLDEP. Information Technology (IT) management and staff play a key role in the program's design and operation. Significant IT resources are devoted to programming and distribution.
	(4)	Program Owner: Office of GLDS, under Privacy, Governmental Liaison and Disclosure (PGLD), is responsible for oversight of the GLDEP.
	(5)	Primary Stakeholders: Data Exchange and Quality Initiatives, under Data Services, is responsible for program delivery and coordinating activities with the Governmental Liaison Office and IT.
11.4.2.1.1 (09-15-2023) **Background**	(1)	The IRS provides data extracts containing FTI to state tax agencies on a recurring basis, which state tax agencies use to administer state tax laws. A data extract is a computer-generated file that contains specific data elements. Extracts are currently provided electronically via an approved secure electronic transmission used to securely exchange electronic files with external entities. State tax agencies may choose from multiple data extracts that make up the program. For some extracts, state tax agencies are required to submit input files, also known as **tickler files**, to IRS. These GLDEP tickler files must be submitted to IRS via an approved secure electronic transmission.
	(2)	Extracts may only be used as authorized by IRC 6103(d). Data contains FTI which is shared with state tax agencies based on their need and use of the information for state tax administration purposes. The safeguarding requirements of IRC 6103(p)(4) apply to state tax agencies receiving FTI under IRC 6103(d). State tax agency personnel and authorized contractors must maintain the confidentiality of FTI received via the GLDEP and are subject to the civil and criminal sanctions of IRC 7213 and IRC 7431 for unauthorized access or disclosure of FTI. Applicable safeguard procedures may be found in Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies.
11.4.2.1.2 (09-15-2023) **Authority**	(1)	The following items govern the authority pertaining to the GLDEP in which certain data-sharing activities take place between IRS and state tax agencies: • IRC 6103 • IRM 1.2.2.12.2, Delegation Order 11-2 (Rev. 4), Authority to Permit Disclosure of Tax Information and to Permit Testimony or the Production of Documents • IRM 10.5, Privacy and Information Protection

11.4.2.1.3
(10-16-2017)
Responsibilities

(1) This IRM is used by all GLDS personnel and ensures policies comply with the disclosure and safeguarding requirements of IRC 6103.

11.4.2.1.4
(09-15-2023)
Program Management and Review

(1) Data Services regularly reports program status through operational reviews to the Director, Governmental Liaison, Disclosure, and Safeguards.

(2) Data Exchange and Quality Initiatives, under Data Services, is responsible for program operation and maintenance.

(3) GLDEP analysts coordinate with IT to review and account for total disclosures made to participating agencies on a recurring basis dependent upon the relative extract (i.e., weekly, monthly, quarterly, periodically, or annually).

(4) Disclosure of FTI through the GLDEP is subject to accounting per IRC 6103(p)(3) and must be reported to the Joint Committee on Taxation annually, within 90 days after the close of each calendar year.

11.4.2.1.5
(10-16-2017)
Acronyms

(1) A comprehensive list of acronyms used throughout this IRM can be found in Exhibit 11.4.2-2.

11.4.2.1.6
(10-16-2017)
Terminology

(1) A comprehensive list of terms used throughout this IRM can be found in Exhibit 11.4.2-1.

11.4.2.1.7
(12-03-2020)
Related Resources

(1) The following is a list of other related resources regarding the GLDEP:

- IRM 11.3.32, Disclosure to States for Tax Administration Purposes
- IRM 11.3.36, Safeguards Review Program
- IRM 11.4.1, Communications and Liaison, Office of Governmental Liaison, Governmental Liaison Operations
- Federation of Tax Administrators web site: *https://www.taxadmin.org/*

11.4.2.2
(09-15-2023)
History

(1) IRS has been sharing FTI with state tax agencies since the 1920s. These exchanges were initially paper-oriented and provided on magnetic media in the form of tape cartridges. Today, FTI is provided through secure electronic transmission. Initially, state tax agencies were charged a small fee for obtaining extract information. In 1994, the IRS waived charges for providing FTI because of the shared tax administration mission and is now provided free of charge.

(2) Originally, state tax agencies received all information available pertaining to taxpayers residing in their state. In 1978, the Government Accountability Office (GAO), formerly the General Accounting Office, issued a report stating the IRS needed to limit information provided to state tax agencies to only information necessary to administer a state's tax laws, which conforms to the statutory language of IRC 6103(d) that restricts disclosure ″only to the extent necessary in the administration of such laws.″ In addition, the report said the IRS had additional sources of information that would be valuable to state tax agencies which had not yet been tapped. In response to that report, the program was redesigned and further expanded to its current state.

> *Note:* The language in IRC 6103(d) specifically limits disclosure to returns and return information with respect to taxes imposed by chapters 1, 2, 6, 11, 12, 21, 23, 24, 31, 32, 44, 51, and 52 and subchapter D of chapter 36 of the IRC, making clear that states are limited in the categories of return information they are authorized to receive under this provision.

11.4.2.3
(09-15-2023)
Data Extracts

(1) The following data extracts are currently part of the GLDEP:

- 1099-NEC
- Business Master File (BMF)
- Business Return Transaction File (BRTF)
- Corporate Affiliations
- CP 2000
- Examination Operational Automation Database (EOAD)
- Exam/Appeals
- Federal Employer Identification Number (FEIN)
- Individual Master File (IMF)
- Individual Return Transaction File (IRTF)
- Identity Theft Protection Indicator (ITPI)
- Individual Taxpayer Identification Number (ITIN)
- Information Returns Master File (IRMF) by Payee State Code
- Information Returns Master File (IRMF) Non-Resident K-1
- Levy
- Military Combat Zone (MCZ)
- Non-Itemizer
- Preparer Tax Identification Number (PTIN)
- Taxpayer Address Request (TAR)

(2) There are many other data exchange activities between the IRS and "FedState trading partners" that are not part of the GLDEP. Some examples are as follows:

- **Reimbursable programs:** Certain data exchange programs between the IRS and other federal, state, and local agencies for non-tax administration purposes. These programs are owned by GLDS Data Services but not part of the GLDEP.
- **Compliance programs:** Some data exchanges are part of specific compliance programs such as abusive tax avoidance transactions (ATAT). More information may be obtained by contacting the specific operating division (OD) that owns the compliance program.
- **User applications:** Some data exchanges are user applications that fall under the e-Services umbrella. More information on these programs may be obtained by contacting e-Services or the specific OD that owns the application.

11.4.2.4
(09-15-2023)
Communications and Marketing

(1) **Internal communications:** Information about the GLDEP is available internally on the GLDS Data Services SharePoint site at: *https://irsgov.sharepoint.com/sites/ga078wvq3b/SitePages/The-Governmental-Liaison-Data-Exchange-Program-(GLDEP).aspx*

(2) **External communications:** Information about the GLDEP is available to external partners through the IRS Office of Governmental Liaison (GL). Some information is also available on the Federation of Tax Administrators' (FTA) web site at: *https://www.taxadmin.org/* , via the IRS Extract e-List. FTA is a

non-profit group representing the interests of state tax administrators. The IRS Extract e-List is limited to the IRS and state tax agency personnel for which one must be registered for a list to send a message. The GLDEP analysts use e-List to alert state tax agency personnel about expected release dates of extracts, to provide updated technical guidance, and to remind them of approaching deadlines. State tax agency personnel use the e-List to explore such questions as how to better use the extracts in compliance programs and whether other state tax agencies have encountered particular difficulties. Personnel can subscribe or unsubscribe to the IRS Extract e-List by following the registration instructions at the FTA website: *https://taxadmin.org/communities-e-lists/*.

11.4.2.5 (10-16-2017) **Program Participation**	(1) Each state tax agency wishing to participate must meet the following criteria: • The agency must have an agreement on the coordination of tax administration (basic agreement) in place to exchange data with the IRS. • The agency must have a safeguard security report, approved by the Office of Safeguards, on file with the IRS. • The agency must complete an annual enrollment form. • The agency must satisfy the requirements of IRC 6103(d); that is, the agency must be a state tax agency as defined in IRC 6103(b), be responsible for state tax administration, demonstrate a need for the FTI being disclosed and demonstrate the FTI will be used for the purposes of state tax administration. (2) There are two annual processes that state tax agencies must complete to participate in the GLDEP. • Annual enrollment process • Annual optional data element selection (ODES) process (for agencies that enroll for the IMF/IRTF and/or BMF/BRTF extracts)
11.4.2.5.1 (09-15-2023) **Annual Enrollment Process**	(1) The annual enrollment process starts in June and ends in August to allow the GLs, disclosure managers (DMs), and state tax agencies adequate time for the enrollment and approval process. State tax agencies wishing to participate in the GLDEP must complete the IRS GLDEP Enrollment Form annually and is used to designate which extracts are needed for the enrollment year. In addition to the enrollment form, state tax agencies are required to justify to the IRS the need for the FTI being requested and how the FTI will be used. By law, the IRS may only disclose FTI to state tax agencies that establish a need and use for the FTI requested. A need and use justification form must be completed and accompany all enrollment forms and must be approved by a DM prior to disclosure of FTI to the state tax agency. (2) The mechanics of the annual enrollment process are as follows: • Each year in June, an enrollment package is sent electronically, via e-mail, from GLDS Data Services to the field GLs. • The enrollment package contains an enrollment form, a signature page, a need & use justification form, instructions for completing the forms, a description & use document, a Safeguard Security Report notice, an e-mail with basic instructions, and a "sample" e-mail for the GLs to forward to their state tax agencies. Completed enrollment forms should be returned by the GLs to the designated Data Services GLDEP analyst.

- Each agency must complete the enrollment form, the signature page, and the need and use justification form. The Safeguard Security Report notice should be signed by the GL and a copy sent to the agency. The completed enrollment package with the signed Safeguard Security Report notice must be returned to the designated Data Services GLDEP analyst by the due date.

(3) The GL and DM will act as consultants to the enrolling state tax agency during the enrollment process. The GL should become involved in the process of completing the IRS GLDEP Enrollment Form and should review the form carefully when received from the enrolling state tax agency. If a state tax agency is enrolling to receive an extract in which they were not previously enrolled, the GL must discuss how the state tax agency plans to use the information. If a state tax agency is not re-enrolling in an extract that they have received in the past, the GL should question the omission of that extract. The more familiar a GL becomes with the operation of state tax agencies within their jurisdiction, the better able they will be to assist with their decision regarding which FTI to request.

11.4.2.5.2
(09-15-2023)
Annual Optional Data Element Selection Process

(1) The annual ODES process takes place in the spring of each year. State tax agencies enrolled to receive the IMF/IRTF and/or BMF/BRTF extracts must complete an ODES package annually which includes submission instructions, an authorization/signature form, and four tables (IMF-Table I; IRTF-Table II; BMF-Table III; BRTF-Table IV). Enrolled state tax agencies use the tables to identify optional data elements (specific line items) from individual and/or business federal tax returns for which they would like to receive. On the ODES tables, state tax agencies are required to justify to the IRS the need for the data element being requested and how it will be used. The need and use justification column on each table must be completed for every data element selected and must be approved by a DM on the ODES authorization/signature document. Completed ODES tables, with the signed authorization/signature form, must be returned by GL to the designated Data Services GLDEP analyst timely. Approved ODES selections will be provided to each tax agency enrolled in BMF/BRTF and/or IMF/IRTF extracts.

(2) The mechanics of the annual ODES process are as follows:

- Annually, in April, GLDS Data Services will send the ODES package to field GLs, via email.
- State tax agencies must be enrolled in BMF/BRTF and/or IMF/IRTF prior to selecting the optional data elements.
- GLs must forward the ODES package via e-mail to their state tax agency counterparts. The ODES package contains the four ODES tables, an authorization/signature document, instructions for completing and submitting the entire package, and a sample email for the GLs to forward to their state tax agencies, and a cover memo.

(3) The GL and DM will act as consultants to the enrolling state tax agency during this process to ensure the state tax agency accurately completes the package. The GL and DM must carefully review the packages submitted to them to ensure they are accurate, complete, and submitted timely by the date requested. The authorization/signature document, which is in PDF format, must be digitally signed by the state tax agency, DM, and GL, and submitted with the completed ODES tables. The ODES tables will be machine read and must remain in Microsoft Word format.

(4) The ODES package contains sensitive but unclassified (SBU) information. State tax agencies must adhere to IRS encryption and media transport guidelines as stated in Pub 1075, Tax Information Security Guidelines for Federal, State and Local Agencies.

11.4.2.6
(09-15-2023)
Specification Books

(1) Each data extract has a specification book, or "spec book", that serves as a technical and administrative user guide for the state tax agency and IRS personnel. The spec books may contain three basic sections:

- Administrative
- Core record layout
- Descriptive record layout

(2) The administrative section contains a basic description of each extract including information on production and distribution schedules, disclosure and security issues, annual changes to the extract, tickler file submission instructions, and labeling procedures. This section also has information on the file(s) from which the data is extracted.

(3) The core record layout section contains graphic representations of the data for use by programmers.

(4) The descriptive record layout section contains a narrative description of the various data elements contained in the extract.

(5) The spec books are distributed in the following manner:

- Spec books are revised annually and sent electronically from GLDS Data Services to the field GLs via an eCase task on the Task Request and Case Management System (TRACMS).
- The GLs distribute the spec books to enrolled state tax agencies via email approximately two months prior to the distribution of the data extract. However, if the spec book has an official use only (OUO) supplement, GLs should send the OUO supplement to enrolled agencies via an authorized transmission method.
- Each spec book is to be used only for the extract year or tax year for which it was designated.
- The spec books are also posted on the GLDEP SharePoint site: *https://irsgov.sharepoint.com/sites/ga078wvq3b/SitePages/The-Governmental-Liaison-Data-Exchange-Program-(GLDEP).aspx*.

(6) The GL is responsible for ensuring each participating state tax agency receives a current copy of the spec book for each data extract the state tax agency has enrolled.

11.4.2.7
(09-15-2023)
Description of the Extracts

(1) There is a great deal of variance among the extracts with regard to production and distribution schedules, how the data is sorted, and the time period upon which the extract is based. Some extracts are based on tax year and some on "extract year." If an extract is based on tax year, all data in that extract is from a specific tax year. The term "extract year" indicates that the IRS has determined the time period of the extract based on various factors that affect production. These factors may include the due date of returns included in the extract or availability of resources for extract production.

(2)   Extracts are sorted by various criteria including state code, ZIP Code, Social Security Number (SSN) or employer identification number (EIN). Some extracts require participating state tax agencies to submit a tickler file to request information about specific taxpayers by ZIP Code, SSN, or EIN. A tickler file is an input file that is merged with IRS data to produce the requested extract. For example, a state tax agency may provide the IRS with a tickler file containing SSNs to be used in production of the IMF/IRTF extract by SSN. The formats for the various tickler files are found in the respective spec books.

   a.   Extract data provided to city tax agencies is based on a verified ZIP Code listing for the city. City tax agencies can choose to submit tickler files by SSN or EIN within their ZIP Code area.

(3)   Upon delivery of the extracts via SDT, agencies have 10 days to download and review the contents. It is imperative that state tax agencies read extracts upon receipt. Extracts that are distributed on an annual basis have a 60-day data recreation period. This means that if a state tax agency notifies the IRS computing center within 60 days that a file cannot be read, the computing center can recreate the extract file for the state tax agency. After the 60-day period, the computing center may not be able to recreate the extract for the state tax agency. For some extracts distributed more frequently than annually, the data may be cumulative and not require recreation as it may be available through the next distribution, refer to the relative spec book for additional details.

11.4.2.7.1
(09-15-2023)
1099-NEC

(1)   **Source of data:** Data is extracted from the IRS Information Returns Master File (IRMF). The 1099-NEC extract provides nonemployee compensation information from the federal Form 1099-NEC, Nonemployee Compensation.

(2)   **Distribution:** The 1099-NEC extract is distributed annually in June.

(3)   **Uses:**

•   The 1099-NEC extract was developed in response to a recommendation by the Federal Department of Labor (DOL) Office of Inspector General. The non-employee compensation information, as reported by payers, is to be used for state tax administration by the state workforce agencies (SWAs) as a component in the audit selection process to increase the discovery of unreported wages. Information provided under IRC 6103(d) through the GLDEP may not be used for purposes other than state tax administration such as the administration of benefits. The payment information provided on the extract is limited to box 1 (non-employee compensation) and box 4 (federal income tax withheld) of the Form 1099-NEC .

•   The 1099-NEC extract was developed to provide Form 1099-NEC non-employee compensation (box 1) information to SWAs by payee state code, that is, the address of the recipient of the income. This information is also available on the IRMF extract which provides more information than the SWAs have a need and use for. The records included in this extract are based on the state code of the payer, in addition to the state code of the payee. SWAs use the non-employee compensation information as a component in the audit selection process to increase discovery of unreported income and non-filers.

11.4.2.7.2
(09-15-2023)
Business Master File
(BMF) / Business Return
Transaction File (BRTF)

(1) **Source of data:** The BMF and BRTF extracts contain data from the Business Master File (BMF) and the Business Returns Transaction File (BRTF) and provide information from the following forms: Form 941, Form 1041, Form 1065, Form 1120, Form 1120-S , Form 709, and Form 706.

(2) The BMF contains general entity information (EIN, name, address, and filing requirements) from the business returns.

(3) The BRTF contains transcribed data from the business tax returns information as initially processed (raw data from return) and is not updated to reflect amended returns or adjustments.

(4) State tax agencies must receive the BMF extract in order to get the BRTF extract, as name and address information is only included on the BMF; the only exception is that an agency may obtain the BRTF only for the Form 706, which includes name and address information.

(5) Agencies must participate in the ODES process to receive data and agencies must enroll in both BMF and BRTF extracts to participate in the State Reverse File Matching Initiative (SRFMI) program.

(6) Participants may enroll to receive the extracts by state code, ZIP Code, and/or EIN. City tax agencies will receive data based on approved ZIP Code listing for their city (not state code) and may choose to submit tickler files to obtain information by EIN.

(7) **Distribution:** The BMF and BRTF extracts are created and transmitted separately. They are distributed annually in October, November and December, depending on the sort (state code, ZIP Code and EIN).

(8) **Uses:** General uses of the BMF/BRTF extracts include:

* Identify non-filers.
* Determine discrepancies between federal and state returns.
* Verify taxpayer information in state tax agency records.
* Assist with collections by identifying business assets and determining ability to collect.

11.4.2.7.3
(12-03-2020)
Corporate Affiliations

(1) **Source of data:** Data is extracted from the IRS Business Master File.

(2) The extract will provide entity information on parent corporations filing a consolidated return as well as on the subsidiary corporations in the affiliated group on whose behalf the parent filed. When a parent corporation files a consolidated return (Form 1120 , U.S. Corporation Income Tax Return, a Form 851, Affiliations Schedule, is attached which lists the subsidiary corporations in the affiliated group. The Corporate Affiliations Extract by State Code (a range of ZIP Codes will be used for city tax agencies) will provide state tax agencies with entity information on parent and subsidiary corporations. Records for state tax agencies will be extracted based on a subsidiary corporation having an address within the state of the requesting state tax agency (by state code). When a subsidiary corporation's address matches the state of the requesting state tax agency, the requesting state tax agency will receive a set of records that will include all subsidiary corporations in the affiliated group and the parent corporation, regardless of what state the parent or the other affiliated subsidiaries are located.

(3)   Records are extracted by state code based on the subsidiary corporation appearing on a Form 851, Affiliations Schedule. A subsidiary corporation will only be associated with the most current parent corporation that is filing its behalf.

(4)   In addition to the state code sort, the extract is also available by an EIN sort based on a tickler file submission by enrolled state tax agencies. City tax agencies can receive the extract based on an approved list of ZIP codes or by EIN sort.

(5)   **Distribution:** The Corporate Affiliations Extract by State Code and EIN are scheduled to be distributed annually in September.

(6)   **Uses:** General uses of the Corporate Affiliations extract include:

- Information used as a component in the audit selection process for corporations filing a consolidated return.
- To identify non-filers.

11.4.2.7.4
(12-03-2020)
CP 2000

(1)   **Source of data:** The CP 2000 extract contains information from IRS Automated Underreporter (AUR) cases. IRS matches information returns, such as Form W-2, Wage and Tax Statement, and Form 1099, filed by employers, banks, businesses, and other payers with information from individual tax returns. Discrepancies are reviewed and, if not resolved at the campus, an AUR case is generated. The CP 2000, Request for Verification of Unreported Income, Payments, and/or Credits, is sent to the taxpayer proposing an adjustment to their account. Taxpayer information from accounts, that result in additional federal tax assessments, is provided in the extract for participating state tax agencies.

- Only data elements from fully agreed cases processed through AUR that resulted in an additional federal tax assessment are provided on the CP 2000 extract. A fully agreed case occurs when a taxpayer agrees to the proposed tax assessment, pays the proposed tax assessment, or by default. Default occurs when a taxpayer fails to respond to notices proposing the additional tax assessment, including the statutory notice of deficiency, and the proposed tax is assessed.
- After additional federal tax is assessed, a taxpayer may provide information that could result in an adjustment or abatement of the liability. These adjustments are made through the Integrated Data Retrieval System (IDRS) and are unavailable for inclusion in this extract. It may be necessary for the state tax agency to contact the taxpayer to resolve the issue.
- Partially agreed case amounts are not included in the file. Inventory levels on the CP 2000 extract vary as the inventory levels worked at the campuses fluctuate.

(2)   **Distribution:** The CP 2000 extract has an irregular distribution schedule with 6 distributions over approximately 20 months, followed by a one-time SSN tickler option (Distribution #7).

(3)   **Uses:** General uses of the CP 2000 extract include:

- Generate a notice of proposed assessment based on federal tax changes.
- Identify employers and payers not reporting to the state tax agency.

Note: The CP 2000 extract presents one of the easiest methods for state departments of revenue to generate correct assessments and increase collections. An automated program in the state tax agency can be developed to generate an assessment letter to the taxpayer based on the federal assessment. When automation is used, few cases need to be worked manually. State tax agencies that generate assessments and collect additional revenue based on the federal tax assessment are able to do so with minimal cost.

11.4.2.7.5
(12-03-2020)
Examination Operational Automation Database (EOAD)

(1) **Source of data:** The EOAD extract contains IRS closed examination case information, which is primarily used to determine the impact of federal audit assessments on state/local liabilities. Examination closing reports are generated from the following systems:

- Reports Generation Software (RGS)
- Audit Information Management System (AIMS)
- Issues Management System (IMS)

State tax administration agencies that can justify need and use can enroll to receive the EOAD extract by state code (Zip Code for Cities) during the GLDEP enrollment process. Agencies also have the option to enroll for the EOAD extract by TIN and submit a tickler file for any out-of-state taxpayers by TIN, which is due November of each year. Enrolled agencies provide specific criteria for use in getting information about the following return types:

- Form 1040, U.S. Individual Income Tax Return
- Form 1065, U.S. Return of Partnership Income
- Form 1120, U.S. Corporation Income Tax Return
- Form 1120S, U.S. Income Tax Return for an S Corporation

(2) **Distribution:** Monthly beginning in February of each year, with data extracted from previous month, for the period January through December. The annual tickler information is run against the monthly extract and matches are sent in a separate file.

(3) **Uses:** General uses of the EOAD extract (same as for Exam/Appeals) are to:

- Ensure reporting of audit changes on businesses operated in one state but registered in another.
- Identify individuals residing in one state but with a filing requirement in another.
- Develop leads on non-resident taxpayers to determine the impact of federal audit assessments on state tax liability.
- Determine the impact of federal audit assessments on state tax liabilities.

11.4.2.7.6
(09-15-2023)
Exam/Appeals

(1) **Source of data:** Examination records reflect results of individual and/or business cases closed by Examination during a fiscal year (October 1 - September 30). The data is extracted annually from the IRS database, the Audit Information Management System (AIMS). The Appeals records provide the same type of information pertaining to cases closed by Appeals during a calendar year (January 1 - December 31). This information is taken from the IRS database, Appeals and Non-Docketed Reporting System (LAND).

(2) The state tax agency submits an annual tickler file of TINs to generate the extract. This tickler is due each year by March 1.

(3) **Distribution:** The extract is distributed annually in May.

(4) **Uses:** General uses of the Exam/Appeals extract are to:

- Identify individuals residing in one state but with a filing requirement in another.
- Develop leads on non-resident taxpayers.
- Determine the impact of federal audit assessments on state tax liabilities.
- Ensure reporting of audit changes on businesses operated in one state but registered in another.

Note: Document 6036, Examination Division Reporting System Codes Booklet, is useful in interpreting the coding for this extract and should be supplied by the GL to the state tax agency receiving the extract.

11.4.2.7.7
(12-03-2020)
Federal Employer Identification Number (FEIN)

(1) **Source of data:** The data for the FEIN extract is obtained from the BMF using the EIN Research and Assessment System (ERAS). The source of that file is the federal Form SS-4, Application for Employer Identification Number. The newly issued FEINs will be provided monthly regardless of how the FEIN is issued, i.e., internet, tele-filers, fax, or mail. This extract will be sorted by the address of the entity receiving the new FEIN for the state code sort and further sorted for the cities based on a pre-approved listing of ZIP codes. The majority of data elements (line items) from the Form SS-4 are captured.

(2) **Distribution:** The FEIN extract is distributed monthly. The distribution year runs from February to January. Each distribution will consist of new FEINs issued in the previous month.

(3) **Uses:** General uses of the FEIN extract are to:

- Validate master file accounts.
- Identify businesses that are required to register.
- Identify non-filers.
- Perform outreach.

11.4.2.7.8
(09-15-2023)
Individual Taxpayer Identification Number (ITIN)

(1) **Source of data:** The data will be extracted from the ITIN database which contains information captured from the Form W-7 , Application for IRS Individual Taxpayer Identification Number. ITIN information can also be obtained from the IMF/IRTF extracts. All of the FTI provided by the taxpayer will be included in the data fields provided to the requesting state tax agencies. The information on this extract is similar to the FEIN extract, except it is for individual returns instead of business returns. Only validated ITINs will show up in this extract. ITINs always begin with a "9" and will have the numbers "**50**" to "**65**"," **70**" to "**88**", **"90" to "92" or "94" to "99"** as the 4th and 5th digits.

(2) **Distribution:** The ITIN extract is distributed from February through January on a monthly basis. All ITINs issued for the previous month will be included. There is also a TIN tickler option. The annual tickler is due in November, and the output file is distributed the following February. State tax agencies enroll for the tickler option separately on the annual enrollment form.

(3) **Uses:** General uses of the ITIN extract are to:

- Reduce erroneous refunds.

- •   Determine the validity of state tax agency entity data.
- •   Provide state tax agency refunds to those taxpayers who rightfully are entitled to them.
- •   Identify Non-Filers.

11.4.2.7.9
(09-15-2023)
Individual Master File/Individual Return Transaction File (IMF/IRTF)

(1) **Source of data:** The IMF/IRTF extract contains data from the IMF and the IRTF.

(2) The IMF contains general entity information (SSN, name, address, wages, adjusted gross income, interest income, etc.) for individual income taxpayers.

(3) The IRTF contains fields currently transcribed from Form 1040, U.S. Individual Income Tax Return, Form 1040-NR, U.S. Nonresident Alien Income Tax Return, Form 1040-SR, U.S. Income Tax Return for Seniors, and their accompanying forms and schedules. The Tax Cuts and Jobs Act (TCJA), signed into law on December 22, 2017, eliminated Form 1040 A & Form 1040-EZ for tax year 2018 and beyond.

(4) The extract may include these prior year returns (original or adjusted) if they are posted during the extract period. IRTF information is obtained from the tax return as originally filed by the taxpayer but can reflect math error corrections. The information is not updated to reflect amended returns or subsequent adjustments. Data in these records will reflect any corrections that were made by the campus before the return could be posted (math error corrections). Information that is obviously incorrect, such as math errors, cannot be posted to master file. When a math error is corrected, a notice is sent to the taxpayer explaining the change. Brief explanations of these notices are included in the IMF/IRTF spec book.

(5) Since the IMF contains entity information and the IRTF does not, the files must be received together. The state tax agency may receive their IMF/IRTF extracts based on the address of the taxpayer (state code), by state supplied ZIP code (ZIP code tickler file) or state supplied SSNs (the SSN tickler file can include ITINs). IMF/IRTF extracts by ZIP code are most frequently requested by city tax agencies, allowing the city tax agencies to receive information on taxpayers located within their jurisdiction; city tax agencies cannot receive the extracts by state code.

(6) **Distribution:** The IMF/IRTF extract is distributed annually in September by state code sort, in October by ZIP code sort, and in November by SSN sort.

(7) **Uses:** General uses of the IMF/IRTF extract are to:

- •   Identify non-filers.
- •   Determine discrepancies between federal and state reported income.
- •   Use Schedule C information for compliance leads.

11.4.2.7.10
(09-15-2023)
Identity Theft Protection Indicator (ITPI)

(1) **Source of data:** The data for the ITPI extract is obtained from the IMF. The extract includes entity information (name, address, taxpayer identification number) for an individual that has been identified as either a potential risk for identity theft (e.g. the taxpayer has reported an incident that could lead to identity theft) or the taxpayer has experienced identity theft which impacted a tax record or tax records.

(2) **Distribution:** The ITPI extract is distributed monthly. The distribution year runs from January to December. Records on the monthly extract will be cumulative so that all taxpayers that remain at risk from the previous month will be on the extract for the following month in addition to any newly identified taxpayers.

(3) **Uses:** General uses of the ITPI extract are to:

- Identify a taxpayer at potential risk for identity theft.
- Identify a taxpayer impacted by identity theft in order to further scrutinize the processing of that taxpayer's returns.

11.4.2.7.11
(09-15-2023)
Information Returns
Master File (IRMF)

(1) **Source of data:** The IRMF extract contains data from the IRMF which is a database containing all transcribed information returns filed under the information returns reporting requirements of the IRC. It contains information regarding both the payer (filer) and the payee (recipient of income) from various information return documents including Form 1099, Form 1098, Schedule K-1, Form 5498, Form 8300, and Form W-2/W-2G.

(2) There are two separate IRMF extracts, IRMF by Payee State Code and IRMF Non-Resident K-1.

(3) IRMF by Payee State Code extract is provided annually to the state tax agencies by payee state code and to cities by ZIP Code through the city's approved ZIP Code listing. This extract will contain only records extracted based on the address of the payee (recipient of income). If multiple payee addresses are present for the same taxpayer, each impacted state tax agency participating in the extract receives all information returns for that taxpayer.

Example: If a taxpayer receives more than one Form W-2, one listing a home address in Illinois and the other listing a home address in Wisconsin, both state tax agencies will receive all FTI for that taxpayer.

(4) IRMF Non-Resident K-1 extract with an option to select additional records will include Schedule K-1 for Form 1065, Form 1041, and Form 1120S.

(5) Agencies that enroll for this extract can also select the optional Non-Resident W-2/W-2G/1099-MISC/1099-NEC records.

(6) For enrolled state agencies, records will be included on the Non-Resident K-1 extract by payer state code provided the address of the payer is within the requesting agency's state and the payee's address (non-resident) is outside the requesting agency's state.

(7) For enrolled city agencies, records will be included on the Non-Resident extract provided the payer's ZIP code is within the city agency's list of ZIP codes and the ZIP code of the payee is outside the city agency's list of ZIP codes.

(8) Agencies must enroll for the IRMF Non-Resident K-1 extract to select the optional Non-Resident W-2/W-2G/1099-MISC/1099-NEC records.

The IRMF extracts contain many records which results in extremely large files for distribution. Each file takes approximately 18 months to create, resulting in the data being two years behind the year of distribution.

Example: Tax year 2021 is distributed in calendar year 2023.

(9) **Distribution:** The IRMF by Payee State Code extract is scheduled for distribution in July. The IRMF Non-Resident extract is scheduled for distribution in October. If multiple payee addresses are present for the same taxpayer on the IRMF by Payee State Code extract, each state tax agency participating in the extract receives all information returns for that taxpayer.

Example: If a taxpayer receives more than one Form W-2 , one listing a home address in Illinois and the other listing a home address in Wisconsin, both state tax agencies will receive all FTI for that taxpayer.

(10) Due to the volume of records, the IRMF extracts are divided into 26 segments (files) using the last two digits of the payee's TIN as the indicator for the divisions.

(11) **Uses:** General uses of the IRMF extract are to:

- Identify underreporters.
- Identify excess deductions.
- Identify employers who are withholding but not remitting.
- Match Schedule K-1 data to state tax agency databases to identify resident and non-resident non-filers.

11.4.2.7.12
(12-03-2020)
Levy

(1) **Source of data:** The Levy extract contains data extracted from the IRMF and reflects payer and payee data for specific taxpayers from Form 1099-INT, Form 1099-DIV, Form 1099-NEC, Form 1099-K, Form 5498, and Form W-2, as well as Schedule K-1.

(2) The data is extracted monthly using a state tickler file that contains the name control and TIN of payers. State tax agencies enrolled for the Levy extract will receive an output file for each month that they submit a tickler file; however, they need not submit a tickler file every month.

(3) **Distribution:** Distribution is on a monthly basis depending on a tickler file submission. The distribution year begins in February and ends in December.

(4) **Uses:** General uses of the Levy extract are to:

- Locate names of payers of income for levy sources.
- Identify current address information.
- Identify income from out-of-state sources.
- Identify active military personnel for removal from non-filer lists.

11.4.2.7.13
(12-03-2020)
Military Combat Zone

(1) **Source of data:** The Department of Defense (DOD) active duty military combat zone personnel information (PC 500 Combat Zone) file is received by the IRS on a monthly basis and posted to the IRS Master File.

(2) The extract file contains a combat zone entrance date and exit date for all active duty military personnel that DOD has identified as deployed in a military combat zone. The file includes full-time and reserve personnel from the five branches of the military (Army, Navy, Air Force, Marines and Coast Guard) as well as National Guard personnel (Army and Air Force). Information is validated by each branch of service. The extract is sorted by state code (address of taxpayer) using the legal state of residence from military records.

This extract is not available to city tax agencies because the ZIP Code is not captured by DOD and this would be the only way city tax agencies could be authorized to receive the information.

(3) **Distribution:** The Military Combat Zone extract is distributed monthly beginning in January and ending in December each year.

(4) **Uses:** General use of the Military Combat Zone extract is to:

- •   Suspend collection efforts and/or enforcement actions against military personnel while serving in a combat zone.

11.4.2.7.14
(12-03-2020)
Non-Itemizer Extract

(1) **Source of data:** Data is extracted from the IRS IMF and the IRTF. This extract is available to state tax agencies based on state code and to city tax agencies based on ZIP Codes.

The Non-Itemizer extract provides a list of individuals who did not itemize on their prior year federal income tax return. The extract is based on the address of the taxpayer as indicated on the federal tax return (state code sort). By matching extract data with state tax agency refund recipients, state tax agencies can identify those refund recipients who did not itemize on their prior year federal tax return. Because these taxpayers did not itemize, the state tax agency is not required to issue Form 1099-G, Certain Government Payments, to these taxpayers, therefore providing a cost and resource savings to the state. There will be a record on the Non-Itemizer extract as long as there is not a duplicate or amended return posted for the same tax year.

(2) **Distribution:** The Non-Itemizer extract is distributed annually in November.

(3) **Uses:** General uses of the Non-Itemizer extract are to:

- •   Identify state refund recipients who did not itemize on their prior year federal tax return, eliminating the need for a state tax agency to send Form 1099-G.

11.4.2.7.15
(12-03-2020)
Preparer Tax
Identification Number
(PTIN)

(1) **Source of data**: Data is extracted from the PTIN database and the National Accounts Profile (NAP). The PTIN extract provides the SSN and PTIN for tax preparers nationwide who have been issued a PTIN. All tax preparers must apply for or renew a PTIN annually. The PTIN must be used as an identifying number by paid tax preparers.

(2) **Distribution:** The PTIN extract is distributed weekly (January through December) and is cumulative.

(3) **Uses:** General use of the PTIN extract is to:

- •   Allow practitioners the added security of using the IRS PTIN on the state returns while allowing the state tax agency to continue compliance and education programs with practitioners.

11.4.2.7.16
(12-03-2020)
Taxpayer Address
Request (TAR)

(1) **Source of data:** The source of data for the TAR extract is the IRS IMF. The extract contains taxpayer address data from the IMF and is based on a state tax agency supplied tickler file containing the SSNs and name controls of specific taxpayers.

(2) Accounts for married individuals are established on the IMF using the SSN of one spouse as the primary SSN. Submissions for TAR will be run against the Spouse-Primary Cross-Reference File to determine the primary SSN. Primary and secondary SSNs and the taxpayer's name and address will be extracted for the file returned to the state tax agency. In addition, the latest tax module year is provided to establish accuracy of the information.

(3) **Distribution:** This extract is distributed weekly from February through January in response to a state-submitted tickler file. Participants who enroll during the enrollment period can begin to submit ticklers in February the following year.

(4) **Uses:** General uses of the TAR extract are to:

- Locate a taxpayer that has moved.
- Locate delinquent taxpayers.

Note: Federal agencies may also use TAR extract to request address information through a memorandum of understanding or computer matching agreement under

IRC 6103(m)(2), (3), and (7). However, these disclosures are distinct from the use of the GLDEP TAR extract for state tax administration. The federal TAR extract is NOT part of the GLDEP and federal agencies reimburse the IRS for this service.

11.4.2.7.17
(09-15-2023)
State Reverse File Match Initiative (SRFMI)

(1) **Background**: IRS provides federal tax return information to state tax agencies for state tax administration purposes. However, through the SRFMI, the role is reversed. State tax agencies provide tax return information filed with the state directly to the IRS for federal tax administration purposes.

(2) State agencies must be enrolled in both BMF & BRTF and/ or IMF & IRTF to participate in SRFMI.

(3) State tax agencies are asked to compare the last BMF/BRTF by State Code, BMF/BRTF by EIN, IMF/IRTF by State Code, and IMF/IRTF by SSN extracts received from the IRS against their business and individual master file records to produce the extracts for the IRS. The extract should include records that exist on the state master file but not on IRS files or contain discrepancies between the state and IRS amounts.

(4) SRFMI has four categories for which the agency can submit this information:

- Corporate
- Withholding
- Sales
- Individual

(5) **Uses**: General uses of the SRFMI extract are to:

- Identify federal non-filers: Identify records on the state tax agency's master file that are not present on the IRS master file.
- Determine discrepancies between federal and state returns: The return appears on both the extract and state tax agency files but there are differences in income, expenses, credits, business type, etc.
- Identify obsolete or out-of-business taxpayers.

- Use state sales tax information as a comparison to gross receipts to identify federal underreporters and non-filers.
- Compare wages on state withholding records with IRS employment tax records.

11.4.2.8
(12-03-2020)
Legal Issues:
Safeguards, Disclosure,
Need and Use, and
Accounting

(1) **Safeguards:** Each state tax agency receiving FTI via the GLDEP is responsible for safeguarding the confidentiality of FTI in accordance with IRC 6103(p)(4) and for maintaining the integrity of the FTI if commingled with information from other sources. The IRS Office of Safeguards is responsible for safeguards oversight of state tax agency compliance with IRC 6103(p)(4). Refer to IRM 11.3.36, Safeguards Review Program, for more information.

(2) **Disclosure:** The sharing of FTI via the GLDEP is governed by IRC 6103(d)(1). All requests for FTI from state tax agencies must be approved by an IRS DM. Refer to IRM 11.3.32, Disclosure to States for Tax Administration Purposes, for more information.

(3) **Need and use:** FTI may be obtained by state tax agencies via the GLDEP to the extent that the information is needed and is reasonably expected to be used for state tax administration under the jurisdiction of that agency. The information may not be used for any purpose inconsistent with the state tax administration responsibilities of that state tax agency. Oversight of compliance with the need and use provisions is a function of both Disclosure and Safeguards. Refer to IRM 11.3.32, Disclosure to States for Tax Administration Purposes, and IRM 11.3.36, Safeguards Review Program, for more information.

(4) **Recordkeeping and accounting for disclosure**: Subsection (c) of the Privacy Act of 1974 (5 USC 552a) and IRC 6103(p)(3)(A) require the IRS to account for all disclosures of returns/return information furnished under the GLDEP. Additional information regarding accounting requirements can be found in IRM 11.3.37, Disclosure of Official Information, Recordkeeping and Accounting for Disclosures.

11.4.2.9
(05-19-2014)
Work Request (WR)

(1) An annual work request (WR) must be submitted through the Work Request Management System (WRMS) for each data extract. The WR must be submitted before the programming/processing of the extract can begin. Any request for changes must be included in the WR. The submission of WRs for the GLDEP is the responsibility of the GLDEP analysts on the Data Services staff.

(2) The WR process is used by the business area and IT to request, control, and monitor changes to information systems. The WR process provides a vehicle for formal communication about information systems requirements between the business area and the IT office being asked to do the work. The WR process serves as a communication, configuration management and documentation tool for the IRS to manage resources.

(3) The WR coordinator for a specific business area has primary responsibility for assisting the WR originator in entering and tracking individual WRs in the WRMS.

(4)   The Demand Management Executive Advisory Committee sets the due date for work requests based on work request operational dates. In general, work requests must be submitted eight to fourteen months in advance of the operational date.

11.4.2.10
(09-15-2023)
Testing of Data Exchanges

(1)   **Validity testing:** Testing the validity of GLDEP extract data before extract distribution ensures the integrity of the data.

(2)   Roles and responsibilities of participants in the testing process are as follows:

- IT will build checks into the GLDEP extract programming/processing to ensure extract output criteria is accurate. Inaccurate programming/ processing criteria can cause extract processing to abort. In addition to regular review, IT provides additional testing for more complex extracts (e.g. IMF/IRTF and BMF/BRTF extracts) to ensure federal tax information is only disclosed to state tax agencies for GLDEP extracts in which they are enrolled to receive.
- Secondary testing is conducted by the GLDEP analyst responsible for administering the extract. The GLDEP analyst will obtain an Automated Business Rule (ABR) Report to review. The GLDEP analyst will ensure the record selection criteria for the extract is accurate and distribution to the enrolled agencies is appropriate.

(3)   For certain extracts, such as the IMF/IRTF and BMF/BRTF extracts, preliminary testing is done prior to the production run for the extract to ensure the data is populated appropriately and any IT changes are reflected correctly. IT prepares and sends a pilot test extract to a few state tax agencies approved to test the data. The GLDEP analyst provides the state tax agencies approved to test the data with an advance copy of the extract record layout and test criteria. Upon the agency's review of the of the test files, the results are compiled, documented and sent to the GLDEP analyst for review and/or correction. The GLDEP team will work with IT personnel responsible for programming and production of the extract to resolve problems, keeping the GL informed of progress. In some cases, it is necessary for the state tax agency and IT to communicate directly. In these cases, the contact will be coordinated through the GL and the GLDEP team.

(4)   BMF/BRTF and IMF/IRTF extracts are customized for each enrolled agency through the ODES process, these extracts receive an additional visual inspection conducted by IT personnel to ensure the ODES elements are appropriately aligned for each enrolled agency as requested during the ODES enrollment process.

11.4.2.11
(12-03-2020)
Extract Modification Request

(1)   GLDEP participants may request modifications to an existing extract or request a new extract be added to the program and must use the "IRS Governmental Liaison Data Exchange Program Modification and New Extract Request-Response Form" for these types of requests and when asking about the feasibility of an modification.

Example of a request: If a state tax agency wants to know if a particular data element can be made available but has not yet decided whether or not they want to actually request that the data element be made available, the form must still be used. The reason for this is that it often takes as many resources and as much time to determine the availability of a data element as to actually make the data element available.

(2) The form includes detailed instructions on how to submit a request to GLDEP analysts and is designed to assist the GL in helping the state tax agency through the modification request process. The form prompts the GL and the state tax agency counterparts to think through the request and answer the many questions that may arise. The request should be as specific and complete as possible.

(3) These modification request procedures apply only to the GLDEP extracts listed at IRM 11.4.2.3, Data Extracts.

11.4.2.11.1
(12-03-2020)
Extract Modification
Request General
Procedures

(1) IRS can only provide data that is currently transcribed to IRS Master File and cannot incur expenses for transcribing data not required for federal tax administration.

(2) Participating state tax agencies requesting modifications, and data availability, should recognize the process within IRS may be time-intensive and, if approved, may be provided no sooner than the following extract year.

11.4.2.11.2
(12-03-2020)
Extract Modification
Request Participating
Agency Procedures

(1) Any state, city, or qualifying group of municipalities covered by IRC 6103(d) and currently enrolled in the IRS GLDEP may request a modification to an existing extract or request a new extract.

(2) Prior to submission of a request, state tax agencies should contact their respective GL regarding the "IRS Governmental Liaison Data Exchange Modification and New Extract Request-Response Form. "The GL can assist the agency with preparing the form and coordinate with Data Services to confirm the requested information is currently transcribed to IRS Master File.

(3) The state tax agency must identify the specific information requested by preparing and submitting the request form to the GL. A need and use justification must also be provided. If the request is for additional data elements, the request must contain the specific line items (data elements) as part of the request.

(4) If the state tax agency is seeking to submit a tickler file as part of the of the agency request, the following information is required:

- List all fields proposed to be included on the tickler file that is submitted to IRS;
- Indicate the frequency of proposed tickler submissions (annually, monthly or weekly);
- Determine approximately how many records will be on each tickler file;
- List all fields requested to be part of the output file (IRS file sent to state tax agencies).

11.4.2.11.3
(12-03-2020)
Extract Modification
Request Governmental
Liaison (GL) Procedures

(1) The GL must research the request to determine if it is a potential modification or a request for FTI availability.

(2) The GL must attach a statement of the detailed research conducted for the request. The following documents will help the GL in determining if the requested information is currently offered or if the request is valid:

- Extract spec book for the presence of the form or data;

- Annual enrollment form and annual ODES form to determine if the data is already offered and if the state tax agency has previously requested the data elements;
- IRS forms and publications to confirm the information description;
- Document 6209, IRS Processing Codes and Information, for status indicators not found on forms;
- Confirmation from Data Services that the requested information is currently transcribed.

(3) The GL will secure Data Services up-front review of the request (i.e. availability of data and the impact on IRS resources) to ensure it can be accommodated. "Impact on IRS resources" includes, if the request is for a new set of information not currently part of existing, available extracts, clearing the request through IT, to ensure IT has the resources available to accommodate the request.

(4) If Data Services states the request is feasible, the GL will forward the request to the appropriate DM (based on the requesting state) for review and approval before submitting it to GLDEP.

11.4.2.11.4
(12-03-2020)
Extract Modification
Request Disclosure
Procedures

(1) The DM will review the request for appropriate need and use justification and statutory authority.

(2) If the DM approves the request, they will sign the form indicating approval of the need and use based on the information available and will forward the request to Disclosure's area technical analyst (TA).

(3) The TA will review and ensure the DM conducted, documented (i.e. within the e-mail to TA), and arrived at the appropriate determination, and then forward to the Disclosure Policy & Program Operations (PPO) point of contact (POC) for review and concurrence or non-concurrence.

(4) The PPO POC will provide the TA, via email, concurrence or non-concurrence based on the documented research/substantiation/statutory authority provided by state/DM/TA, etc. If the PPO POC concurs, then the TA will coordinate with Disclosure's deputy associate director for approval and signature; then return it to the GL, and copy to DM, for continued coordination with Data Services.

11.4.2.11.5
(09-15-2023)
Extract Modification
Request Data Services
Responsibilities

(1) The request will be assigned to a GLDEP analyst for review. The modification request will be documented and assigned a unique number. Upon confirming the modification request is complete, it will be sent to IT for review and approval or disapproval.

(2) The GLDEP analyst will work with IT to prepare a WR or any other required documents and will keep the GL informed of progress.

(3) The response from IT may take as long as 90 days.

(4) Once the GLDEP analyst receives a definitive response from IT, they will complete the modification response portion of the form to be signed by the chief, Data Exchange and Quality Initiatives, and return the form to the GL. The GL will then prepare a response to the requesting state tax agency.

Exhibit 11.4.2-1   (09-15-2023)
Terminology

1.   The table below lists terminology used and their definitions.

Term	Definition
Basic Agreement	Agreement on coordination of tax administration executed on behalf of the Internal Revenue Service by the chief privacy officer.
Data Element	Any item of information such as an SSN that can be selected from a return. May also be called a field.
Extract	A computer-generated file that contains specific data elements.
Record:	A record is any recorded information (hard copy and electronic) relating to the work of an office, regardless of who created it, how it was created or received, or what medium it is recorded on. Refer to IRM 1.15.1 , Records and Information Management, The Records and Information Management Program, and refer to the **Is It a Record?** flow chart: *https://portal.ds.irsnet.gov/sites/vl003/RelatedResources/Is-it-a-Record.pdf*.
Work Request (WR)	A process used to request services from Information Technology (IT) through the Work Request Management System (WRMS). The WR serves as the official agreement or contract between IT and the requesting office. The term WR is also used to refer to the resulting document containing the specifics of the WR process.
Specification Book	A technical and administrative user guide for extracts that are part of the GLDEP for use by both state and IRS personnel. Also called a "spec book".
Safeguard Security Report	Report to IRS on agency processes, procedures, and security controls in place to protect FTI in accordance with IRC 6103(p)(4).
Tickler File	A tickler file is an input file that is merged with IRS data to produce a specific output data extract. Tickler files must be submitted to IRS via an approved secure electronic transmission.

Exhibit 11.4.2-2   (09-15-2023)
Acronyms

1.   The table below lists commonly used acronyms and their definitions.

Acronym	Definition	Acronym	Definition
ABR	Automated Business Rule	IRTF	Individual Return Transaction File
AIMS	Audit Information Management System	IT	Information Technology
ATAT	Abusive Tax Avoidance Transactions	ITIN	Individual Taxpayer Identification Number
AUR	Automated Underreporter	ITPI	Identity Theft Protection Indicator
BMF	Business Master File	LAND	Appeals and Non-Docketed Reporting System
BRTF	Business Return Transaction File	MCZ	Military Combat Zone
CP	Computer Program	NAP	National Accounts Profile
DM	Disclosure Manager	OD	Operating Division
DOD	Department of Defense	ODES	Optional Data Element Selection
DOL	Department of Labor	OUO	Official Use Only
EIN	Employer Identification Number	PDF	Portable Document Format
EOAD	Examination Operational Automation Database	PGLD	Privacy, Governmental Liaison, Disclosure and Safeguards
ERAS	EIN Research and Assessment System	POC	Point of Contact
FEIN	Federal Employer Identification Number	PPO	Policy & Program Operations
FTA	Federation of Tax Administrators	PTIN	Preparer Tax Identification Number
FTI	Federal Tax Information	RGS	Reports Generation Software
GAO	Government Accountability Office	SBU	Sensitive But Unclassified
GL	Governmental Liaison	SRFMI	State Reverse File Match Initiative
GLDEP	Governmental Liaison Data Exchange Program	SSN	Social Security Number
GLDS	Governmental Liaison, Disclosure and Safeguards	SWA	State Workforce Agencies
IDRS	Integrated Data Retrieval System	TA	Technical Analyst
IMF	Individual Master File	TAR	Taxpayer Address Request
IMS	Issues Management System	TIN	Taxpayer Identification Number

Exhibit 11.4.2-2   Internal Revenue Manual   Cat. No. 33482M (09-15-2023)

Exhibit 11.4.2-2 (Cont. 1) (09-15-2023)
Acronyms

Acronym	Definition	Acronym	Definition
IRC	Internal Revenue Code	TCJA	Tax Cuts and Jobs Act
IRMF	Information Returns Master File	TRACMS	Task Request and Case Management System
IRS	Internal Revenue Service	WR	Work Request
IRTF	Individual Return Transaction File	WRMS	Work Request Management System