

Date of Approval: 09/12/2024  
Questionnaire Number: 1567

## Basic Information/Executive Summary

What is the name of your project (system, database, pilot, product, survey, social media site, etc.)?

1099 Pro & 1042-S Pro Software

Business Unit

Taxpayer Services

Preparer

# For Official Use Only

Subject Matter Expert

# For Official Use Only

Program Manager

# For Official Use Only

Designated Executive Representative

# For Official Use Only

Executive Sponsor

# For Official Use Only

Executive Summary: Provide a clear and concise description of your project and how it will allow the IRS to achieve its mission.

Annually the IRS must create, print, mail, and electronically file Form 1099s and Form 1042-S in which the IRS is the payor. The software purchased ensures the IRS stays IRC Compliant with regards to timely mailing these forms to taxpayers.

## Personally Identifiable Information (PII)

Will this project use, collect, receive, display, store, maintain, or disseminate any type of Sensitive but Unclassified (SBU), Personally Identifiable Information (PII), or Federal Tax Information (FTI)?

Yes

Please explain in detail how this project uses sensitive data from inception to destruction (data lifecycle).

Annually the Submission Processing (SP) Accounting Operations utilize the newest tax year versions of the 1099 Pro and 1042-S Pro to create, print (to be mailed), and electronically file Forms 1099 and 1042-S in which the IRS is the payor. The SP Accounting employees utilize a desktop interface version of the software to input taxpayer data collected throughout the year to create the forms. This software interfaces with the main version of the software which is stored on the secured 1099PRO Production Server. Once a record is input, the data is stored on the server and can be accessed by anyone with the desktop software. Once all records have been input, the software is used to generate a PDF file containing all forms that is printed, and the individual forms are mailed to the taxpayers. The software is then utilized by SP HQ ADS to generate an IRS Fire Site compatible electronic file that is used to electronically file the forms on the IRS Fire Site. The records are stored on the production server by year. And the software is retired (deleted) three years following the filing deadline of the tax year of the created forms.

Please select all types of Sensitive but Unclassified data (SBU)/Personally Identifiable Information (PII)/Federal Tax Information (FTI) that this project uses.

Address  
Employer Identification Number  
Federal Tax Information (FTI)  
Individual Taxpayer Identification Number (ITIN)  
Name  
Social Security Number (including masked or last four digits)

Cite the authority for collecting SBU/PII/FTI (including SSN if relevant).

PII for federal tax administration - generally IRC Sections 6001 6011 or 6012

## Product Information (Questions)

1.1 Is this PCLIA a result of the Inflation Reduction Act (IRA)?

No

1.3 What type of project is this (system, project, application, database, pilot/proof of concept, power platform/visualization tool)?

Database

1.35 Is there a data dictionary for this system?

No

1.36 Explain in detail how PII and SBU data flow into, through and out of this system.  
1099 Pro and 1042-S Pro Software application will be used for PII and SBU data to flow into, through and out of this system.

1.4 Is this a new system?

No

1.5 Is there a Privacy and Civil Liberties Impact Assessment (PCLIA) for this system?

No

1.8 If the system is on the As-Built-Architecture, what is the ABA ID of the system? If this PCLIA covers multiple applications shown on the ABA, please indicate the ABA ID for each application covered separated by a comma.

No

1.9 What OneSDLC State is the system in (Allocation, Readiness, Execution)?

Execution

2.1 If this system discloses any PII to any third party outside the IRS, does the system have a process in place to account for such disclosures in compliance with IRC 6103(p)(3)(A) or Subsection c of the Privacy Act? Contact Disclosure to determine if an accounting is required. Enter "Yes" or "No". If Exempt, type "Exempt".

Exempt, system does not disclose to any third parties.

2.2 Please provide the full name of and acronym of the governance board or Executive Steering Committee (ESC) this system reports to.

AD Compliance Governance Board

3.1 Does your project/system involve any use of artificial intelligence (AI), including virtual assistant, chat bot, and robotic process automation, as defined in Executive Order 13960?

No

3.3 Does this system use cloud computing?

No

3.6 Does this system interact with the public through a web interface?

No

3.7 Describe the business process allowing an individual to access or correct their information.

The software allows for any end user with access to go in and correct any of the records before they are printed and electronically filed. Once they are printed and electronically filed, no record can be altered. Any corrections made after printed

and electronically filed must be done by creating a "Corrected" Form 1099 or Form 1042-S.

4.1 Who owns and operates the system (IRS Owned and Operated, IRS Owned and Contractor Operated, Contractor Owned and Operated)?

The software is purchased from a vendor outside the IRS. But once purchased, the IRS owns and operates the version that we use with no 3rd party involvement.

4.2 If a contractor owns or operates the system, does the contractor use subcontractors?

No

4.5 Identify the roles and their access level to the PII data. For contractors, indicate whether their background investigation is complete or not.

There is only one role, user. The software is not designed for different roles.

4.51 How many records in the system are attributable to IRS Employees? Enter "Under 50,000", "50,000 to 100,000", "More than 100,000" or "Not Applicable".

Under 50,000

4.52 How many records in the system are attributable to contractors? Enter "Under 5,000", "5,000 to 10,000", "More than 10,000" or "Not Applicable".

Not applicable

4.53 How many records in the system are attributable to members of the public? Enter "Under 5,000", "5,000 to 10,000", "More than 10,000" or "Not applicable".

Not applicable

4.6 How is access to SBU/PII determined and by whom?

Access to the software is granted to SP Accounting employees through requests sent to SP HQ Accounting & Deposit Section. Once access is granted, all users would then have access to the PII input into the software.

5.1 Please describe any privacy risks, civil liberties and/or security risks identified for the system that need to be resolved and what is the mitigation plan?

None

5.11 Is there a Risk Assessment Form and Tool (RAFT) associated with this system on file with your organization or the IRS Risk Office.

No

5.2 Does this system use or plan to use SBU data in a non-production environment?

No

# Interfaces

## **Interface Type**

IRS or Treasury Contractor

## **Agency Name**

Submission Processing (SP) Accounting

## **Incoming/Outgoing**

Incoming (Receiving)

## **Transfer Method**

Other

## **Other Transfer Method**

The data is compiled on spreadsheets by the SP Accounting Operations and then later imported into the 1099 Pro or 1042-S Pro Software.

## **Interface Type**

IRS Systems, file, or database

## **Agency Name**

1099 Pro and 1042-S Pro Software

## **Incoming/Outgoing**

Outgoing (Sending)

## **Transfer Method**

Other

## **Other Transfer Method**

Software is used to create electronic files of all the forms to be electronically filed with the IRS Fire Site.

## **Interface Type**

IRS Systems, file, or database

## **Agency Name**

1099 Pro and 1042-S Pro

## **Incoming/Outgoing**

Outgoing (Sending)

## **Transfer Method**

Mail

# Systems of Records Notices (SORNs)

## **SORN Number & Name**

IRS 22.061 - Information Return Master File

Describe the IRS use and relevance of this SORN.

Software used to generate Form 1099-MISC, Form 1099-C, and Form 1099-INT in which the IRS is the Payor on Master File accounts in which these forms are not systemically generated.

**SORN Number & Name**

IRS 42.005 - Whistleblower Office Records

Describe the IRS use and relevance of this SORN.

Software used to generate Form 1099-INT for Whistleblower Office Payments.

**SORN Number & Name**

IRS 22.060 - Automated Non-Master File

Describe the IRS use and relevance of this SORN.

Software is used to generate Form 1099-INT and Form 1042-S in which the IRS is the Payor for taxpayers housed on non-MasterFile.

**SORN Number & Name**

IRS 22.062 - Electronic Filing Records

Describe the IRS use and relevance of this SORN.

Software used to generate electronic files for all Form 1099s and Form 1042-S that are electronically filed with the IRS Fire Site.

## **Records Retention**

What is the Record Schedule System?

Non-Record

What is the retention series title?

Information Returns

What is the GRS/RCS Item Number?

85

What type of Records is this for?

Both (Paper and Electronic)

Please provide a brief description of the chosen GRS or RCS item.

The software is utilized to create a Form 1099 or 1042-S. Once created, it is printed and mailed by the Accounting Operation, and they maintain Copy C within their Operation per their file retention standards. Then the records are electronically filed through IRS Fire Site and once accepted as "GOOD" the IRS would be retaining those electronic records according to the retention standards on the back end of the Fire Site process.

# Data Locations

What type of site is this?

Environment

What is the name of the Environment?

1099 Production Server

What is the URL of the item, if applicable?

Server VPWSENTAPP1040P.ds.irsnet.gov

Please provide a brief description of the Environment.

The 1099 Pro and 1042-S software, and the subsequent records they produce are stored on a secured server.

What are the incoming connections to this Environment?

End users utilize a desktop interface to connect to the main software stored on the secured server.

What are the outgoing connections from this Environment?

The desktop interface software on the user's machine communicates back and forth with the software stored on the secured server.