

Date of Approval: **November 19, 2021**

PIA ID Number: **5684**

## **SYSTEM DESCRIPTION**

*Enter the full name and acronym for the system, project, application and/or database.*

Business Master File - Statistics of Income, BMF SOI

*Is this a new system?*

No

*Is there a PCLIA for this system?*

Yes

*What is the full name, acronym, and milestone of the most recent PCLIA?*

Business Master Files - Statistics of Income, BMF SOI, 3102

*What is the approval date of the most recent PCLIA?*

1/10/2018

*Changes that occurred to require this update:*

New Access by IRS employees or Members of the Public

Expiring PCLIA

*Were there other system changes not listed above?*

No

*What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.*

Filing Season Readiness ESC

*Current ELC (Enterprise Life Cycle) Milestones:*

System Development/Milestone 4B

*Is this a Federal Information Security Management Act (FISMA) reportable system?*

No

## GENERAL BUSINESS PURPOSE

*What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.*

The Business Master File Statistics of Income (BMF SOI) extracts tax account and other data from the Business Master File (BMF) for the Statistics of Income Distributed Processing System (SOI DPS). This information is used by SOI for statistical reporting to Health and Human Services (HHS), Treasury, and Congressional committees.

## PII DETAILS

*Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information: or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?*

Yes

*Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e., last 4 digits, etc.)?*

Yes

*What types of tax identification numbers (TIN) apply to this system?*

Social Security Number (SSN)

*List the approved Treasury uses of the SSN:*

When there is no reasonable alternative means for meeting business requirements

Statistical and other research purposes

*Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers).*

We are identifying estate and gift tax returns that will be part of SOI statistical samples. They need the SSNs to examine the physical returns.

*Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).*

The Office of Management and Budget Circular A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs. An exception to that requirement is when the SSN is uniquely needed to identify a user's record. The system requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from Internal Revenue Code

(IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

Employer Identification Number

*Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e., names, addresses, etc.)?*

Yes

*Specify the PII Elements:*

Name  
Mailing address  
Date of Birth  
Tax Account Information

*Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?*

Yes

*Specify the types of SBU from the SBU Types List:*

Protected Information Information which if modified, destroyed, or disclosed in an unauthorized manner could cause loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government.

*Are there other types of SBU/PII used in the system?*

No

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

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

SSN for tax returns and return information is Internal Revenue Code Section 6109

*Has the authority been verified with the system owner?*

Yes

## **BUSINESS NEEDS AND ACCURACY**

*Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.*

Business Master File Statistics of Income (BMF SOI) extracts taxpayer data which could include names, address, social security numbers, tax account information etc. for Statistics of Income Distributed Processing System (SOI DPS) and various other projects within SOI. BMF SOI uses batch applications to extract taxpayer data (including PII) from the BMF from requirements that are developed by the business owner. SOI statistical gathering of return information for tax administration purposes.

*How is the SBU/PII verified for accuracy, timeliness, and completion?*

There are several validation procedures to ensure that batches have run properly and contain properly formatted information; some of these are: - Control codes are used to verify complete files are transmitted - The Log Analysis and Reporting Services (LARS) system performs run-to-run balancing for each batch job run to ensure that no data is lost - Run to run balancing is used to verify that all files are processed through the complete input system and extract system as appropriate -Unit testing, system acceptability testing, and integration testing are used to ensure runs process data correctly -There are a series of tests performed on data such as the Compatibility Tests and the Final Integration tests to ensure the accuracy, timeliness and completeness of all Business Master File Statistics of Income (BMF SOI) processing. There are internal programming consistency checks and a record count to validate the data that is loaded into the SOI system is accurate. The data that SOI receives is from internal IRS systems which are deemed reliable, and the data is validated for accuracy by the system sending the data as described in that system's PCLIA. Any determinations made are validated during the collection process and the taxpayer has appeal rights for any determinations made from the data.

## **PRIVACY ACT AND SYSTEM OF RECORDS**

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

*Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.*

Yes

*Identify the Privacy Act SORN(s) that cover these records.*

IRS 24.046 Customer Account Data Engine Business Master File

## **RESPONSIBLE PARTIES**

*Identify the individuals for the following system roles:*

## Official Use Only

## **INCOMING PII INTERFACES**

*Does the system receive SBU/PII from other systems or agencies?*

Yes

*Does the system receive SBU/PII from IRS files and databases?*

Yes

*Enter the files and databases:*

System Name: BMF  
Current PCLIA: Yes  
Approval Date: 8/27/2018  
SA&A: Yes  
ATO/IATO Date: 11/12/2019

*Does the system receive SBU/PII from other federal agency or agencies?*

No

*Does the system receive SBU/PII from State or local agency (-ies)?*

No

*Does the system receive SBU/PII from other sources?*

No

*Does the system receive SBU/PII from Taxpayer forms?*

No

*Does the system receive SBU/PII from Employee forms (e.g., the I-9)?*

No

## DISSEMINATION OF PII

*Does this system disseminate SBU/PII?*

Yes

*Does this system disseminate SBU/PII to other IRS Systems?*

Yes

*Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.*

System Name: SOI-DPS  
Current PCLIA: Yes  
Approval Date: 7/2/2019  
SA&A: Yes  
ATO/IATO Date: 5/15/2020

*Identify the authority.*

Needed by the Statistics of Income Distributed Processing System (SOI DPS) system for further processing. This system uses statistical gathering of return information for tax administration purposes under Internal Revenue Code (IRC) 6103(b)(4)(B). This system provides statistical tax information to Treasury and Congressional committees.

*For what purpose?*

This system provides statistical tax information to Treasury and Congressional committees.

*Does this system disseminate SBU/PII to other Federal agencies?*

No

*Does this system disseminate SBU/PII to State and local agencies?*

No

*Does this system disseminate SBU/PII to IRS or Treasury contractors?*

No

*Does this system disseminate SBU/PII to other Sources?*

No

## PRIVACY SENSITIVE TECHNOLOGY

*Does this system use social media channels?*

No

*Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?*

No

*Does the system use cloud computing?*

No

*Does this system/application interact with the public?*

No

## INDIVIDUAL NOTICE AND CONSENT

*Was/is notice provided to the individual prior to collection of information?*

Yes

*How is notice provided? Was the individual notified about the authority to collect the information, whether disclosure is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects on the individual, if any, if they decide not to provide all or any of the requested information?*

Business Master File Statistics of Income (BMF SOI) uses batch applications to extract taxpayer data from the BMF. This system uses statistical gathering of return information for tax administration purposes under Internal Revenue Code (IRC) 6103(b)(4)(B). Notice, consent, and due process are provided pursuant to 5 United States Code (USC).

*Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?*

No

*Why not?*

BMF SOI uses batch applications to extract taxpayer data from the BMF. This system uses statistical gathering of return information for tax administration purposes under IRC 6103(b)(4)(B). Notice, consent, and due process are provided pursuant to 5 USC.

*How does the system or business process ensure 'due process' regarding information access, correction, and redress?*

BMF SOI uses batch applications to extract taxpayer data from the BMF. Requirements are provided by the business owner. This system uses statistical gathering of return information for tax administration purposes under IRC 6103(b)(4)(B). Notice, consent, and due process are provided pursuant to 5 USC.

## **INFORMATION PROTECTION**

*Identify the owner and operator of the system (could be IRS owned and operated; IRS owned, contractor operated; contractor owned and operated).*

IRS Owned and Operated

*The following people have access to the system with the specified rights:*

*IRS Employees*

Users: Read Only

Managers: Read Only

Developers: Read Only

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

The Business Master File Statistics of Income (BMF SOI) system utilizes the IRS On-Line application (OL-5081) application to document approvals for access to the IBM mainframe. Data access is granted on a need-to-know basis. A potential user must submit a request for access via IRS OL5081 to their local management for approval consideration. Users are not permitted access without a signed 5081 form from an authorized management official. Specific permissions (Read, Write, Modify, Delete, and/or Print) are defined on the OL5081 form and set (activated) by the System Administrator prior to the user being allowed access. User privileges and user roles determine the types of data that each user has access to. Management monitors system access and removes permissions when individuals no longer require access. Users are assigned to specific modules of the application and specific roles within the modules and accounts follow the principle of least privilege which provide them the least amount of access to PII data that is required to perform their business function after receiving appropriate approval. Data access is also Resource Access Control Facility (RACF) protected, and is granted on a need-to-know basis.



## **RECORDS RETENTION SCHEDULE**

*Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?*

Yes

*How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.*

The Business Master File Statistics of Income (BMF SOI) extracts are approved for destruction in accordance with update cycles as outlined in National Archives and Records Administration (NARA) Job No. NC1-58-76-8. These retention requirements are published in Records Control Schedule (RCS) Document 12990 under RCS 19 for the Martinsburg Computing Center, Item 30. This data is not retrievable by the user, and only used as input into the Statistics of Income Distributed Processing System (SOI DPS).

## **SA&A OR ASCA**

*Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?*

No

*Is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements?*

Yes

*Describe the system's audit trail.*

Business Master File Statistics of Income (BMF SOI) is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards which is handled by the General Support System (GSS). The BMF SOI batch processes use Resource Access Control Facility (RACF) to manage security and access to the programs and data.

## **PRIVACY TESTING**

*Does the system require a System Test Plan?*

Yes

*Is the test plan completed?*

Yes

*Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?*

DocIT - (DocIT is a web-based electronic document management system).

*Were all the Privacy Requirements successfully tested?*

Yes

*Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?*

No

*Describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met?*

All unit and system testing were completed as outlined in the System Test Plan. All requirements were met.

## **SBU DATA USE**

*Does this system use, or plan to use SBU Data in Testing?*

Yes

*Was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request?*

Yes

*Provide the date the permission was granted.*

11/17/2021

*Was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy?*

Yes

## NUMBER AND CATEGORY OF PII RECORDS

*Identify the number of individual records in the system for each category:*

IRS Employees: Not Applicable

Contractors: Not Applicable

Members of the Public: 100,000 to 1,000,000

Other: No

## CIVIL LIBERTIES

*Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?*

No

*Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?*

No

*Will this system have the capability to identify, locate, and monitor individuals or groups of people?*

No

*Does computer matching occur?*

No

## ACCOUNTING OF DISCLOSURES

*Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax, or Privacy Act consent?*

No