

Date of Approval: 03/10/2025
Questionnaire Number: 2021

Basic Information/Executive Summary

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

Backup Withholding Selection Assistance Tool RPA

Acronym:

BWH RPA

Business Unit

Small Business and Self Employed

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.

Business owners who issue Forms 1099 where payee taxpayer identification numbers (TINs) are missing or incorrect, are required to pay 24% backup withholding tax, but per the Treasury Inspector General for Tax Administration (TIGTA), noncompliance may result in a significant tax gap, of billions of dollars potentially each year. The case selection process identifies, selects and delivers to the campus, an optimal mix of cases to promote the highest degree of voluntary compliance, and to ensure fair coverage. The automation will select the relevant backup withholding cases most likely to result in the successful recovery of unpaid taxes, generate files with details of approximately 100,000 TINs, and narrow the list using specified criteria.

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).

The automation compares data by Taxpayer Identification Number (TIN) from the Compliance Data Warehouse to corresponding Integrated Data Retrieval System (IDRS) data to identify case selection criteria.

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

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).

SSN for tax returns and return information - IRC section 6109

Product Information (Questions)

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

Yes

1.1 What is the IRA Initiative Number?

4.3

2 Describe in detail, the Robotic Process Automation (RPA) process; be sure to identify the project title and business unit owner; state what IRS Strategy or initiative it supports; identify the system or process it supports and if PII will be required for the RPA to run; identify activities and workflow controls with the type and capabilities that will be incorporated; lastly indicate how the service benefits from the use of this RPA. (Process, Library, Test Automation, Template.)

The IRS's Small Business Self Employed (SBSE) business unit's Backup Withholding Selection Assistance Tool supports IRS Strategic Initiative 4.3, "Improve technology operations; the IRS will enhance core technology processes and platforms to support the delivery of expanded capabilities for taxpayers and employees." RPA will assist IRS senior analysts in identifying optimal workable

cases while ensuring fair coverage where business owners did not comply with backup withholding tax requirements. In minutes, the automation begins with an input file that was extracted from the Compliance Data Warehouse (CDW), performs a data extraction from, collection and comparison process that takes a team of 5 people about 2 weeks to manually complete. The automation improves accuracy, and most importantly provides valuable human resources for other priorities. Personally Identifiable Information (PII) required will be managed under Internal Revenue Service (IRS) security policies.

3 Is this a new Robotic Process Automation (RPA) project?

Yes

4 Identify the IRS IT systems, applications, projects, and/or databases this RPA is applied to; include the associated system name.

Microsoft File Explorer, Microsoft Excel, Integrated Data Retrieval System (IDRS), Earned Income Tax Credit Referral Automation-Generalized IDRS Interface (EITCRA-GII)

5 Identify why the use of SBU/PII/FTI is required; include any type of Sensitive But Unclassified (SBU), Personally Identifiable Information (PII), or Federal Tax Information (FTI) that this project will create, collect, receive, use, process, maintain, access, inspect, display, store, disclose, disseminate, or dispose of.

Employer Identification Numbers (EINs) are required to identify the businesses whose cases are available for selection. Related information such as names and addresses are required for case identification and processing.

6 Is your RPA Attended/Unattended?

Attended

7 Is this RPA process converting from paper to electronic format or automating a process currently performed by a human?

Yes

7.1 Explain the process being replaced/automated.

In minutes, the automation performs a data extraction, collection and comparison process that would take a team of 5 people, multiple days to manually complete. The automation improves accuracy, and most importantly frees up valuable human resources for other priorities. The process is part of case selection to bring businesses who owe backup withholding taxes into compliance.

8 Indicate what level of complexity the RPA is classified as and if you were required to register with One Solution Delivery Lifecycle (OneSDLC) or not, or indicate if Information Technology's (ITs) Technical Insertion process was used for approval of this RPA.

Medium complexity project and registered with OneSDLC.

9 Will connections or interdependencies be established for this RPA?

No

10 Indicate who has or will have permission to access the data and how users are authenticated.

The attended automation will run under the user's profile. Every user will have a UiPath license and access rights to the automation in Development, Test and Production environments based on the user's role. Users will authenticate manually in IDRS and other systems as usual, and they will access only the data that their profile's permissions allow. The resulting files will be placed on an access-restricted shared drive. All users are on the IRS network and have the appropriate credentials for SBU and IDRS.

11 Indicate if BEARS entitlements are required for access and if PUMAS (Privileged User Management Access System) control management is applied for granting access to the system(s)? If BEARS/PUMAS are not applied, indicate what access controls are in place.

BEARS entitlements will not be required for this system but is required and approved prior to IDRS access, which this RPA is applied to. PUMAS control management will not be required.

12 Identify the maintenance tasks or updates performed; state whether or not the maintenance tasks are inherited from the host (UiPath Platform), or you are using customized maintenance activities.

It is using UiPath Platform.

13 Indicate if this product or system shares data outside of the United States or its territories.

No

14 Indicate if this system or Robotic Process Automation (RPA) is trained through the use of algorithms; indicate if the algorithm used contains data with a sensitivity classification. (Sensitive but unclassified data might include algorithms, methods, system data, or PII/FTI that could be used to re-identify a person.)

No

Systems of Records Notices (SORNs)

SORN Number & Name

IRS 00.001 - Correspondence Files and Correspondence Control Files

Describe the IRS use and relevance of this SORN.

The automation will collect information retrieved from the IDRS system about business owners so that cases can be selected for backup withholding investigations.

Records Retention

What is the Record Schedule System?

Record Control Schedule (RCS)

What is the retention series title?

RECORDS CONTROL SCHEDULE 27: Compliance Research

What is the GRS/RCS Item Number?

54

What type of Records is this for?

Electronic

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

Compliance Data Warehouse (CDW). The Compliance Data Warehouse (CDW) provides access to a wide variety of tax return, enforcement, compliance, and other data to support the query and analysis needs of the Research community. CDW provides a range of solutions to users, including data integration, computing services, data transfer, and educational services. CDW captures data from multiple production systems, migrating the data to the CDW environment, transforming, standardizing, and augmenting the data, and organizing the data in a way that is conducive to analysis.

What is the disposition schedule?

Delete/Destroy 10 years after data update, or when no longer needed for operational purposes, whichever is later.