

NOTE: The following reflects the information entered in the PIAMS website.

A. SYSTEM DESCRIPTION

Authority: Office of Management Budget (OMB) Memorandum (M) 03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 & PVR #10- Privacy Accountability and #21-Privacy Risk Management

Date of Approval: June 10, 2014

PIA ID Number: **891**

1. What type of system is this? Legacy

1a. Is this a Federal Information Security Management Act (FISMA) reportable system? No

2. Full System Name, Acronym, and Release/Milestone (if appropriate):

State Income Tax Levy Program, SITLP

2a. Has the name of the system changed? No

If yes, please state the previous system name, acronym, and release/milestone (if appropriate):

3. Identify how many individuals the system contains information on

Number of Employees: Not Applicable

Number of Contractors: Not Applicable

Members of the Public: Over 1,000,000

4. Responsible Parties:

N/A

5. General Business Purpose of System

The State Income Tax Levy Program (SITLP) is an Automated Levy Program (ALP). Through this program, overdue federal taxes are collected by levying state income tax refunds. Each state with income tax requirements can sign an agreement with the IRS to permit the state tax refund to be applied to a federal tax liability. Qualifying federal tax debts are sent electronically to each state along with a Notice of Levy (Form 668-A). The tax debt is matched against the state income tax refunds and all or a portion is sent to IRS to satisfy the federal debt. Due process is provided pursuant to 26 USC.

6. Has a PIA for this system, application, or database been submitted previously to the Office of Privacy Compliance? (If you do not know, please contact *Privacy and request a search) Yes

6a. If **Yes**, please indicate the date the latest PIA was approved: 12/06/2010

6b. If **Yes**, please indicate which of the following changes occurred to require this update.

- System Change (1 or more of the 9 examples listed in OMB 03-22 applies) (refer to PIA Training Reference Guide for the list of system changes) Yes
 - System is undergoing Security Assessment and Authorization No
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6c. State any changes that have occurred to the system since the last PIA

The program's incoming payment files from the participating state agencies have converted to using Electronic Federal Tax Payment System (EFTPS).

7. If this system has an Exhibit 53 or Exhibit 300 please provide the Unique Project Identifier (UPI) number (XXX-XX-XX-XX-XX-XXXX-XX). Otherwise, enter the word 'none' or 'NA'. NA

B. DATA CATEGORIZATION

Authority: OMB M 03-22 & PVR #23- PII Management

8. Does this system collect, display, store, maintain or disseminate Personally Identifiable Information (PII)? Yes

9. Indicate the category that best describes the source that provides or originates the PII collected, displayed, stored, maintained or disseminated by this system. Most common categories follow:

Taxpayers/Public/Tax Systems	<u>Yes</u>
Employees/Personnel/HR Systems	<u>No</u>
Other	<u>Yes</u>

Other Source:

State agencies provide payment information via EFTPS and SDT

10. Indicate all of the types of PII collected, displayed, stored, maintained or disseminated by this system. Then state if the PII collected is on the Public and/or Employees. Most common fields follow:

TYPE OF PII	Collected?	On Public?	On IRS Employees or Contractors?
Name	Yes	Yes	No
Social Security Number (SSN)	Yes	Yes	No
Tax Payer ID Number (TIN)	No	Yes	Yes
Address	Yes	Yes	No
Date of Birth	No	No	No

Additional Types of PII: No

No Other PII Records found.

10a. What is the business purpose for collecting and using the SSN ?

IRS collects the SSNs so an SSN match can be done by the participating state agencies. All data elements from 10 above are obtained from Corporate Files On Line (CFOL), Individual Master File (IMF), and Taxpayer Information Files (TIF)

If you answered **Yes** to Social Security Number (SSN) in question 10, answer **10b**, **10c**, and **10d**.

10b. Cite the authority that allows this system to contain SSN's? (e.g. specific regulations, statutes, etc.)

Unknown

10c. What alternative solution to the use of the SSN has/or will be applied to this system? (e.g. masking, truncation, alternative identifier)

None. SITLP is part of the Legacy (IBM) Mainframe flat-file data retrieval system which provides only required data for use and the SSN is a main functional part of its use and purpose and must be provided completely and accurately. No masking of the SSN is possible.

10d. Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of Social Security Numbers on this system?

NA. The SSN and taxpayer name are used by participating state agencies to conduct the matching process.

Describe the PII available in the system referred to in question 10 above.

CFOL, IMF, and TIF are primarily used because they contain the most recent taxpayer transaction codes. The taxpayers Name, SSN, and address are needed elements so the state agencies can perform their matching process, in order to send the IRS the levy funds. The balance due information is needed in order to have the State levy the proper amount. SDT is used to send and receive the data in order to levy the refund and post the levy payment. Posting the levy payment will generate a Case Processing (CP) 92, advising of the levy, from the IMF to the taxpayer

11. Describe in detail the system's audit trail. State what data elements and fields are collected. Include employee log-in information. If the system does not have audit capabilities, explain why an audit trail is not needed.

SITLP consists of batch mainframe runs and does not have any user interfaces. No audit trail is need.

11a. Does the audit trail contain the audit trail elements as required in current IRM 10.8.3 *Audit Logging Security Standards*? Yes

12. What are the sources of the PII in the system? Please indicate specific sources:

a. IRS files and databases: Yes

If **Yes**, the system(s) are listed below:

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
Integrated Data Retrieval System (IDRS)	Yes	07/12/2011	Yes	12/09/2011
Individual Master File (IMF)	Yes	05/02/2014	Yes	11/15/2012

b. Other federal agency or agencies: No

c. State and local agency or agencies: No

d. Third party sources: No

e. Taxpayers (such as the 1040): Yes

f. Employees (such as the I-9): No

g. Other: No If **Yes**, specify:

C. PURPOSE OF COLLECTION

Authorities: OMB M 03-22 & Internal Revenue Manual (IRM) 10.8.8, IT Security, Live Data Protection Policy & PVR #16, Acceptable Use

13. What is the business need for the collection of PII in this system? Be specific.

In order for the participating state agencies to conduct their levy matching process, the taxpayers SSN, Name, Address and federal tax liability information is needed by the program. Participating states are required to match on the SSN and name/name control before deducting the money from the taxpayer's state's income tax refund. The federal liability information is need by the state so the payments can be applied to the correct taxpayer's account.

D. PII USAGE

Authority: OMB M 03-22 & PVR #16, Acceptable Use

14. What is the specific use(s) of the PII?

To conduct tax administration Yes

To provide taxpayer services No

To collect demographic data No

For employee purposes No

If other, what is the use?

Other: No

E. INFORMATION DISSEMINATION

Authority: OMB M 03-22 & PVR #14- Privacy Notice and #19- Authorizations

15. Will the information be shared outside the IRS? (for purposes such as computer matching, statistical purposes, etc.) Yes

15a. If yes, with whom will the information be shared? The specific parties are listed below:

	Yes/No	Who?	ISA OR MOU**?
Other federal agency (-ies)	No		
State and local agency (-ies)	Yes	Various state taxing agencies	Yes
Third party sources	No		
Other:	No		

** Inter-agency agreement (ISA) or Memorandum of Understanding (MOU)

16. Does this system host a website for purposes of interacting with the public? No

17. Does the website use any means to track visitors' activity on the Internet?

If yes, please indicate means:

	YES/NO	AUTHORITY
Persistent Cookies	_____	_____
Web Beacons	_____	_____
Session Cookies	_____	_____
Other:	_____	_____

If other, specify:

F. INDIVIDUAL CONSENT

Authority: OMB M 03-22 & PVR #15- Consent and #18- Individual Rights

18. Do individuals have the opportunity to decline to provide information or to consent to particular uses of the information? Not Applicable

19. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action? Yes

19a. If **Yes**, how does the system ensure "due process"?

For SITLP, the due process aspect is post levy, per IRC 6330(f). The CDP notice is sent after the matched levy payment is received by the IRS. So the due process happens after the final action has taken place.

20. Did any of the PII provided to this system originate from any IRS issued forms? Yes

20a. If **Yes**, please provide the corresponding form(s) number and name of the form.

3738	1040	Individual Income Tax Return
3739	5329	IRA Contribution Information
3740	8278	Assessment and Abatement of Miscellaneous Civil Penalties

20b. If **No**, how was consent granted?

Written consent _____
Website Opt In or Out option _____
Published System of Records Notice in the Federal Register _____
Other: _____

G. INFORMATION PROTECTIONS

Authority: OMB M 03-22 & PVR #9- Privacy as Part of the Development Life Cycle, #11- Privacy Assurance, #12- Privacy Education and Training, #17- PII Data Quality, #20- Safeguards and #22- Security Measures

21. Identify the owner and operator of the system: IRS Owned and Operated

21a. If Contractor operated, has the business unit provided appropriate notification to execute the annual security review of the contractors, when required?

22. The following people have use of the system with the level of access specified:

	Yes/No	Access Level
IRS Employees:	<u>Yes</u>	
Users		<u>No Access</u>
Managers		<u>No Access</u>
System Administrators		<u>Read Only</u>
Developers		<u>Read Only</u>
Contractors:	<u>No</u>	
Contractor Users		<u></u>
Contractor System Administrators		<u></u>
Contractor Developers		<u></u>
Other:	<u>No</u>	<u></u>

23. How is access to the PII determined and by whom?

No user interface. This is performed at the IBM Mainframe Master File level. See 10c above.

24. How will each data element of SBU/PII be verified for accuracy, timeliness, and completeness?

This verification is performed at the IBM Mainframe Master File level.

25. Are these records covered under the General Records Schedule (GRS), or have a National Archives and Records Administration (NARA) archivist approved a Record Control Schedule (RCS) for the retention and destruction of official agency records stored in this system? Yes

25a. If **Yes**, how long are the records required to be held under the corresponding RCS and how are they disposed of? In your response, please include the complete IRM number 1.15.XX and specific item number and title.

SITLP data is approved for destruction 10 years after end of processing year or when no longer needed for operational purposes, whichever is later (Job No. N1-58-09-65, approved 11-9-09). These disposition instructions are published in IRS Document 12990 under Records Control Schedule (RCS) 19 for the Enterprise Computing Center - Martinsburg (ECC-MTB), Item 65.

26. Describe how the PII data in this system is secured, including appropriate administrative and technical controls utilized.

This is performed at the IBM Mainframe Master File level.

26a. Next, explain how the data is protected in the system at rest, in flight, or in transition.

This is performed at the IBM Mainframe Master File level.

27. Has a risk assessment (e.g., SA&A) been conducted on the system to ensure that appropriate security controls have been identified and implemented to protect against known risks to the confidentiality, integrity and availability of the PII? Yes

28. Describe the monitoring/evaluating activities undertaken on a regular basis to ensure that controls continue to work properly in safeguarding the PII.

This is performed at the IBM Mainframe Master File level.

29. Is testing performed, in accordance with Internal Revenue Manual (IRM) 10.8.8 - *IT Security, Live Data Protection Policy*? Not Applicable

H. PRIVACY ACT & SYSTEM OF RECORDS

Under the statute, any employee who knowingly and willfully maintains a system of records without meeting the Privacy Act notice requirements is guilty of a misdemeanor and may be fined up to \$5000.

Authority: OMB M 03-22 & Privacy Act, 5 U.S.C. 552a (e) (4) & PVR #13-Transparency

30. Are 10 or more records containing PII maintained/stored/transmitted through this system? Yes

31. Are records on the system retrieved by any identifier for an individual? (Examples of identifiers include but are not limited to Name, SSN, Photograph, IP Address) Yes

31a. If **YES**, the System of Records Notice(s) (SORN) published in the Federal Register adequately describes the records as required by the Privacy Act? Enter the SORN number and the complete name of the SORN.

Treas/IRS 24.030	IMF
Treas/IRS 24.046	BMF
Treas;/IRS 34.037	Audit Trail and Security Records System
Treas/IRS 26.019	Taxpayer Delinquent Account Files

I. ANALYSIS

Authority: OMB M 03-22 & PVR #21- Privacy Risk Management

32. What choices were made or actions taken regarding this IT system or collection of information as a result of preparing the PIA?

Resulted in the removal of PII from the system (e.g., SSN use reduced/eliminated)	<u>No</u>
Provided viable alternatives to the use of PII within the system	<u>No</u>
New privacy measures have been considered/implemented	<u>No</u>
Other:	<u>No</u>