

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: 04/03/2014 PIA ID Number: 810

1. What type of system is this? Non-Major System

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

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

Combined FedState, CombFS

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:

NA

5. General Business Purpose of System

A passthrough system to minimize duplication of effort on the taxpayer by providing forms to the federal government, who then pass the same data back to the participating states instead of the taxpayer presenting the information to both the state and the federal government. Input from the FIRE program contains many forms from the taxpayer. The Combined FedState program extracts just the forms (listed below) and separates the output by participating state agency. Then the Electronic File Transfer Utility (EFTU) section transmits the data to a file server where the participating state agencies pull the data. Described fully in "Publication 1220 Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G". The Combined Federal/State Filing (CF/SF) program was established to simplify information returns filing for payers. Through CF/SF, the IRS electronically forwards information returns (original and corrected) to participating states. The following information returns may be filed under the Combined Federal/State Filing Program: • Form 1099-B, Proceeds from Broker and Barter Exchange Transactions • Form 1099-DIV, Dividends and Distributions • Form 1099-G, Certain Government Payments • Form 1099-INT, Interest Income • Form 1099-K, Payment Card and Third Party Network Transactions • Form 1099-MISC, Miscellaneous Income • Form 1099-OID, Original Issue Discount • Form 1099-PATR, Taxable Distributions Received From Cooperatives • Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. • Form 5498, IRA Contribution Information

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) No

6a. If Yes, please indicate the date the latest PIA was approved:

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)
 - System is undergoing Security Assessment and Authorization
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6c. State any changes that have occurred to the system since the last PIA

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'. 4049999999999979526

B. DATA CATEGORIZATION

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

8a. If No, what types of information does the system collect, display, store, maintain or disseminate?

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 Yes

Employees/Personnel/HR Systems No

Other No

Other Source: _____

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)	Yes	Yes	No
Address	Yes	Yes	No
Date of Birth	No	No	No

Additional Types of PII: No

PII Name On Public? On Employee?

No No

10a. Briefly describe the PII available in the system referred to in question 10 above.

1099-DIV F-5498 1099-INT 1099-PATR 1099-R 1099-MISC 1099-OID 1099-G 1099-B 1099-K

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.)

SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns. Additional information can be found at these two links: <http://www.irs.gov/pub/irs-wd/00-0075.pdf> <http://www.law.cornell.edu/uscode/text/26/6109>

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

The SSN is needed to uniquely identify a user's record. No alternative solutions have/or will be applied to the system.

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

There is no planned mitigation strategy or forecasted implementation date to mitigate or eliminate the use of SSNs.

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.

Record counts only. Not a system that does transactions. Flat file processing.

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: No

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

No System Records found.

b. Other federal agency or agencies: No

If Yes, please list the agency (or agencies) below:

c. State and local agency or agencies: Yes

If Yes, please list the agency (or agencies) below:

ALABAMA ARIZONA ARKANSAS CALIFORNIA COLORADO CONNECTICUT DELAWARE DISTRICT OF COLUMBIA GEORGIA HAWAII IDAHO INDIANA IOWA KANSAS LOUISIANA MAINE MARYLAND MASSACHUSETTS MICHIGAN MINNESOTA MISSISSIPPI MISSOURI MONTANA NEBRASKA NEW JERSEY NEW MEXICO NORTH CAROLINA NORTH DAKOTA OHIO SOUTH CAROLINA UTAH VERMONT VIRGINIA WISCONSIN This list could vary annually

d. Third party sources: No

If yes, the third party sources that were used are:

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.

The following information returns may be filed under the Combined Federal/State Filing Program: Form 1099-B, Form 1099-DIV, Form 1099-G, Form 1099-INT, Form 1099-K, Form 1099-MISC, Form 1099-OID, Form 1099-PATR, Form 1099-R, and Form 5498. These forms have taxpayer information on them and are required to identify the taxpayer's account. No changes or updates are allowed in order to keep the integrity of the data as is transitions from taxpayer to federal data systems and then to the participating state agency.

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 Yes

To collect Demographic Data
For employee purposes

No

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 agencies enrolled in the Combined FedState Program	No
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? Yes

18a. If Yes, how is their permission granted?

Publication 1220 Specifications for Electronic Filing of Forms

19. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action? Not Applicable

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

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.

No forms found.

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>No</u>	
Users		_____
Managers		_____
System Administrators		_____
Developers		_____
Contractors:	<u>No</u>	
Contractor Users		_____
Contractor System Administrators		_____
Contractor Developers		_____
Other: <u>System Administrators, EFTU, State Agencies Have access to only their file</u>	<u>Yes</u>	<u>Read Only</u>

If you answered yes to contractors, please answer 22a. (All contractor/contractor employees must hold at minimum, a "Moderate Risk" Background Investigation if they have access to IRS owned SBU/PII data.)

22a. If the contractors or contractor employees act as System Administrators or have "Root Access", does that person hold a properly adjudicated "High Level" background investigation?

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

Per participating state

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

Verified by state agencies

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.

FedState data is approved as temporary, subject to destruction when no longer needed for operational purposes but no longer than 5 years. System owners currently set retention at 1-year. System data is scheduled under several NARA-approved disposition authorities: (IMF/IRTF Extracts) Job No. N1-58-09-23, published in IRS Document 12990 under Records Control Schedule (RCS) 18, item 53; (BMF Extracts) Job No. N1-58-09-22, published in IRS Document 12990 under RCS 18, item 54; and (BRTF Extracts) Job No. N1-58-09-24, published in IRS Document 12990 under RCS 18, item 55.

If No, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system.

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

GSS for Mainframe production files. The files are transferred using EFTU.

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

EFTU is responsible for transition of mainframe production files from the Mainframe to the File server for state agency extraction.

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? No

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

Cover under mainframe GSS.

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

29a. Has approval been received from the Office of Privacy Compliance to use Live Data in testing (if appropriate)?

29b. If you have received permission from the Office of Privacy Compliance to use Live Data, when was the approval granted?

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.

SORNS Number

SORNS Name

Treas/IRS 24.030 IMF

Treas/IRS 24.046 BMF

Treas/IRS 34.037 IRS Audit Trail and Security Records System

Comments

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>

32a. If Yes to any of the above, please describe:

NA

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