

Date of Approval: **July 02, 2019**

PIA ID Number: **4051**

SYSTEM DESCRIPTION

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

Statistics of Income Distributed Processing System, SOI-DPS

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?

Statistics of Income Distributed Processing System SOI-DPS 2091

What is the approval date of the most recent PCLIA?

4/11/2017

Changes that occurred to require this update:

New Access by IRS employees or Members of the Public

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.

SOI-DPS does not report to any committee. The entire environment is managed by Research, Applied Analytics & Statistics (RAAS). When support or resources are needed for SOI-DPS then interaction with the Information Technology (IT) organization (UNS, EOPS, ES) is completed.

Current ELC (Enterprise Life Cycle) Milestones:

Operations & Maintenance (i.e. system is currently operational)

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

Yes

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 Statistics of Income Distributed Processing System (SOI DPS) includes databases, applications, and scanning required to support the Service's requirement to report to Congress annually on the numbers and types of returns filed, the characteristics of those returns, and the money amounts reported on those returns. The sample data is used by the Presidential Budget Committee, the Congressional Budget Committee, the Office of Tax Analysis (OTA), the Joint Committee (JC) on Taxation, the President's State of the Union Address, and the Federal Reserve Board. SOI-DPS also uses the Individual Master File Sole Proprietorship Extract (IMF SOL PROP) and the Individual Master File Statistics of Income Extracts (IMF SOI). The new customer for the SOI-DPS data is the Federal Review System to complete the Survey of Consumer Finances. The data they receive is already listed in the PCLIA as it is created for the Office of Tax Analysis and Joint Committee on Taxation.

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:

Legal/statutory basis (e.g. where collection is expressly required by statute)

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)

The SOI-DPS 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.

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 SOI-DPS 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

Other Taxpayer 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

Phone Numbers

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 (SBUList)

Official Use Only (OUO) or Limited Official Use (LOU) - Information designated as OUO or LOU is information that: is exempt under one of the statutory Freedom of Information Act exemptions; is prohibited by other laws or regulations; would significantly impede the agency in carrying out a responsibility or function; or would constitute an unwarranted invasion of privacy.

Proprietary data - Business information that does not belong to the IRS

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

Yes

Describe the other types of SBU/PII that are applicable to this system.

Other PII records (and Federal Tax Information) available in the SOI-DPS system include Wages and Withholdings.

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.

SOI-DPS is designed to facilitate the collection, production, and publication of statistical data for use in the formulation and measurement of legislation relating to taxation as required under IRC 6108 and IRC 6103. This includes providing time series tax data and panel data. Therefore, PII is used to track tax returns over time or by households.

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

The “raw data” that is used by the SOI-DPS applications is the taxpayer data that is provided by the taxpayer on their tax return. SOI-DPS runs customized programs to select the data in accordance with the specifications provided by the customer for a given study. The Editor forms are pre-populated with this data. Therefore, the data is assumed to be accurate as it is provided by the taxpayer. Other fields are manually input by the Editor using the original tax return data. Format and syntax checks are in place for these fields. If the required fields are not completed correctly, the application prevents the user from moving to the next screen. SOI employees use various mathematical and validation methods to check selected data for accuracy. As part of this process, actual returns or images of scanned returns may be used to verify the accuracy of the data that is input. Timeliness. Data are based on current year filings. Most SOI studies are annual. SOI-DPS data retained in the system are static once the study files are completed. Completeness. Each screen has a defined set of required fields. If the user does not complete these required fields with accurate information, the user is prevented from continuing to the next screen. Additional data are extracted from the physical tax return or an image of a scanned return to prepare a complete record for SOI. After subjecting the data to various consistency and validity checks, records are input for further statistical processing on SOI's systems in National Office in order to produce data for transmittal to SOI's customers.

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 34.037 Audit Trail and Security Records System

IRS 70.001 Individual Income Tax Returns, Statistics of Income

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

For 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: Individual Masterfile (IMF)

Current PCLIA: Yes

Approval Date: 3/6/2017

SA&A: Yes

ATO/IATO Date: 9/22/2018

System Name: Business Masterfile (BMF)

Current PCLIA: Yes

Approval Date: 8/27/2018

SA&A: Yes

ATO/IATO Date: 3/12/2019

System Name: Modernized e-file (MeF)

Current PCLIA: Yes

Approval Date: 2/20/2019

SA&A: Yes

ATO/IATO Date: 2/9/2019

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?

Yes

Please identify the form number and name:

Form Number: 706 Form Name: Estate Tax

Form Number: 709 Form Name: Gift Tax

Form Number: 706NA	Form Name: Nonresident Alien Estate Tax
Form Number: 990	Form Name: Tax Exempt-Organizations
Form Number: 990PF	Form Name: Tax Exempt-Organizations (Private Foundations)
Form Number: 990T	Form Name: Tax Exempt-Organizations (Unrelated Business Income)
Form Number: 1065	Form Name: US Return of Partnership Income
Form Number: 5471	Form Name: Information Return of US Persons with Respect to Certain Foreign Corporations
Form Number: 1118	Form Name: Foreign Tax Credit
Form Number: 3520	Form Name: Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts
Form Number: 3520A	Form Name: Annual Information Return of Foreign Trust with a US Owner International Boycott Report
Form Number: 5712	Form Name: International Boycott Report
Form Number: 1120	Form Name: US Corporation Income Tax Return
Form Number: 8865	Form Name: Return of US Persons with Respect to Certain Foreign Partnerships
Form Number: 8832	Form Name: Entity Classification Election
Form Number: 5472	Form Name: Information Return of 25% Foreign-Owned US Corporation or a Foreign Corporation Engaged in US
Form Number: 8838	Form Name: Information Return for Tax-Exempt Private Activity Bond Issues
Form Number: 4720	Form Name: Return of Certain Excise Taxes under Chapters 41 and 42 of the Internal Revenue Code
Form Number: 8038CP	Form Name: Return for Credit Payments to Issuers of Qualified Bonds
Form Number: 8038B	Form Name: Information Return for Build America Bonds and Recovery Zone Economic Development Bonds

Form Number: 8038G	Form Name: Information Return for Tax-Exempt Governmental Obligations
Form Number: 8038TC	Form Name: Information Return for Tax Credit Bonds and Specified Tax Credit Bonds
Form Number: 8038T	Form Name: Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
Form Number: 1040	Form Name: US Individual Income Tax Return
Form Number: 1041	Form Name: U.S. Income Tax Return for Estates and Trusts
Form Number: 1042-S	Form Name: Foreign Person's U.S. Source Income Subject to Withholding
Form Number: 1120	Form Name: U.S. Corporation Income Tax Return
Form Number: 1120-F	Form Name: U.S. Income Tax Return of a Foreign Corporation
Form Number: 1120-FSC	Form Name: U.S. Income Tax Return of a Foreign Sales Corporation
Form Number: 1120-S	Form Name: U.S. Income Tax Return for an S Corporation
Form Number: 1042-S	Form Name: Foreign Person's U.S. Source Income Subject to Withholding
Form Number: 1116	Form Name: Foreign Tax Credit: Individuals
Form Number: 1118	Form Name: Foreign Tax Credit: Corporations

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

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

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?

Taxpayers are given notice when they fill out the initial tax return. The information within SOI-DPS comes from various IRS Systems and forms. Those systems and forms provide the Privacy Act Notice to individuals. SOI-DPS does not directly provide individuals the opportunity to decline from providing information and/or from consenting to particular uses of the information. Notice, consent and due process are provided via the IRS systems and their related tax forms instructions, and pursuant to 5 USC.

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

No

Why not?

SOI-DPS is designed to facilitate the collection, production and publication of statistical data for use in the formulation and measurement of legislation relating to taxation as required under IRC 6108 and IRC 6103. PII is not shared to the public and is used for statistical purposes only. Statistic of Income Division is a recognized Federal Statistical Agency and falls under the CISPEA Law.

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

The data that is in SOI-DPS is used for research purposes only. No data is used for tax compliance. The due process is part of the systems that SOI-DPS receives data.

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 Write

Managers: Read Write

System Administrators: Read Write

Developers: Read Write

IRS Contractor Employees

Contractor Users: Read Only

Contractor Developers: Read Only

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

Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request a user be added. They must fill out an Online 5081 (OL5081), Information System User Registration/Change Request, to request access to the application. A user's access to the data terminates when it is no longer required. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules within OL5081.

RECORDS SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) archivist 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.

SOI DPS is non-recordkeeping. No records scheduling actions are required to affect data disposition. SOI DPS represents a network of databases, applications and scanning activities used to collect and assess returns data already scheduled within the context of originating electronic systems and/or approved as permanent under Job No. N1-58-92-2 SOI Study Files (item 6), and SOI Public Use Files (item 7), published under IRM 1.15.25 (soon to be transitioned for publication in IRS Document 12990 under Records Control Schedule (RCS) 25).

SA&A OR ASCA

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

Yes

What date was it completed?

3/1/2019

Describe the system's audit trail.

The System Administrators (SAs) /Database Administrators (DBAs) make periodic activity log file checks to ensure normal system functioning and to watch for warning messages that might indicate a problem. The activity log contains: Logon and logoff of all users by USERID; Password change including USERID; Date and time of event; Success or failure of the event; All actions by System and Security Administrators; All actions by DBAs. SOI-DPS is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

SOI-DPS follows IRS IT for all software and hardware standards.

SBU DATA USE

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

No

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