<table>
<thead>
<tr>
<th>TO</th>
<th>NATIONAL ARCHIVES and RECORDS ADMINISTRATION (NWML) 8601 ADELPHI ROAD, COLLEGE PARK, MD 20740-6001</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM</td>
<td>(Agency or establishment) Department of the Treasury</td>
</tr>
<tr>
<td>DATE RECEIVED</td>
<td>8/6/08</td>
</tr>
<tr>
<td>MAJOR SUBDIVISION</td>
<td>Internal Revenue Service</td>
</tr>
<tr>
<td>MINOR SUBDIVISION</td>
<td>Small Business/Self Employed (SB/SE) Accounts Management and Compliance Services</td>
</tr>
<tr>
<td>NAME OF PERSON WITH WHOM TO CONFER</td>
<td>Daniel W. Bennett IRS Records Officer</td>
</tr>
<tr>
<td>TELEPHONE</td>
<td>202-283-9359</td>
</tr>
<tr>
<td>AGENCY CERTIFICATION</td>
<td>I hereby certify that I am authorized to act for this agency in matters pertaining to the disposition of its records and that the records proposed for disposal on the attached pages(s) are not now needed for the business of this agency or will not be needed after the retention periods specified, and that written concurrence from the General Accounting Office, under the provisions of Title 8 of the GAO Manual for Guidance of Federal Agencies,</td>
</tr>
<tr>
<td>DATE</td>
<td>August 6, 2008</td>
</tr>
<tr>
<td>SIGNATURE OF AGENCY REPRESENTATIVE</td>
<td>Daniel W. Bennett</td>
</tr>
<tr>
<td>TITLE</td>
<td>IRS Records Officer</td>
</tr>
<tr>
<td>ACCOUNTING OFFICE</td>
<td>National Office, OS A RE Washington, DC 20224</td>
</tr>
<tr>
<td>ITEM NO</td>
<td>8</td>
</tr>
<tr>
<td>DESCRIPTION OF ITEM OF PROPOSED DISPOSITION</td>
<td>RCS 1.15.35 for Tax Administration Electronic Systems</td>
</tr>
<tr>
<td>FUTURE UPDATES</td>
<td>* New Item 44, Midwest Automated Compliance System (MACS) (see attached)</td>
</tr>
</tbody>
</table>
IRM 1.15.35, New Item 44
Midwest Automated Compliance System (MACS)

Background:

MACS is a menu-driven, automated database and data retrieval system that is housed and operated on a microcomputer. It is located in the Planning and Special Program (PSP)/Compliance area. It contains a unique compression program that allows immediate access to and easy manipulation of tax return data for an area’s/compliance services entire tax filing population. Data is available for three years from the following forms:

- 1040 series
- 1120 series
- 1120S
- 1065
- 1041

Data retrieval is quick, typically requiring only a few seconds to view a taxpayer’s return.

MACS is extremely sensitive due to the large amount of taxpayer information and the easy-to-use query programs.

MACS is not a return selection or classification system. Although it is broad-based because it includes all filed returns, it does not contain the criteria for selection. It is a tool to provide information quickly and easily for data-driven decisions as part of the return selection and classification processes. In addition, MACS can:

- Profile an area’s population by market segment (a market segment being any group of taxpayers with one or more common characteristics)
- Be matched against other internal and external databases by Taxpayer Identification Number (TIN) to identify non-filers
- Provide research on specific taxpayers, even if only a partial name or address is known

A number of capabilities make MACS a particularly useful tool to identify potential noncompliance. For example, it can:

- Run filters
- Use complex calculations such as percentages in filters
- Produce three-year comparisons of tax returns
- Locate taxpayers by TIN, name, or address

A filter is a request to the system to identify all returns with a specified characteristic or group of characteristics. If a filter is used to identify a particular population of taxpayers, MACS can statistically stratify that population as well as generate a random sample of returns for testing.

MACS produces return facsimiles which can be displayed in either a
one-year or a three-year comparative format. They may be viewed on
screen, printed individually or batch printed On-screen viewing in the
three-year format is valuable for return classification. The three-year
facsimile print is useful for case building. The return facsimile includes
Masterfile data discussed in (1) above, as well as a Cash T computed
from the transcribed items on the tax return (IMF only). The Cash T is
used primarily to identify returns with potential unreported income.

MACS is being replaced by the Computer Assisted Data Engine (CADE)
in the summer of 2008.

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Description: Midwest Automated Compliance System
(MACS) System

The Midwest Automated Compliance System (MACS) supports
classification of returns for examination and building case folders
in field offices by providing access to tax return data.

a. Inputs:

Includes IRS taxpayer data electronically received from the
Business Return Transaction File (BRTF), Earned Income Tax
Credit Referral Automation (EITCRA), and Executive Control
Program for IMF Extract (IMF-Individual Master Files).

Disposition: TEMPORARY. Destroy when no longer needed.
Recordkeeping copies of this data are appropriately scheduled
under other authorities for BMF, BRTF, EITC, and IMF.

b. System Data:

Maintains up to three years of extracted data relevant to
examination for non-compliance with IRS tax filing requirements.
Data is available for three or more years from the following
forms: 1040 series, 1120 series, 1120S, 1065, and 1041.

Disposition: TEMPORARY. Destroy when 3 years old or when
no longer needed for audit or operational purposes whichever is
sooner. Recordkeeping data is appropriately scheduled under
other authorities for BMF, BRTF, EITC, and IMF.

c. Outputs:

Includes return facsimiles which can be displayed in either a
one-year or a three-year comparative format. They may be
printed individually or batch printed. The three-year facsimile
print is useful for case building. The return facsimile includes
Masterfile data, as well as a Cash T computed from
the transcribed items on the tax return (IMF only). The Cash T is
used primarily to identify returns with potential unreported
income.

Disposition: Temporary Cut-Off at end of processing year.
Destroy 6 years after processing year.

d. System Documentation:

MACS Handbook and MACS User Guide.
<table>
<thead>
<tr>
<th>Disposition</th>
<th>Temporary. Delete/destroy when superseded or obsolete.</th>
</tr>
</thead>
</table>

**Request for Records Disposition Authority**

(See Instructions on reverse)

**Job Number**

N1-058-08-

NSN 7450-00-634-4064

PREVIOUS EDITION NOT USABLE

STANDARD FORM 115 (REV. 3-91)

Prescribed by NARA

36 CFR 1228