

REQUEST FOR RECORDS DISPOSITION AUTHORITY		JOB NUMBER N1-58-09-11	
To: NATIONAL ARCHIVES & RECORDS ADMINISTRATION 8601 ADELPHI ROAD COLLEGE PARK, MD 20740-6001		Date received 3/30/09	
1. FROM (Agency or establishment) Department of the Treasury		NOTIFICATION TO AGENCY In accordance with the provisions of 44 U.S.C. 3303a, the disposition request, including amendments, is approved except for items that may be marked "disposition not approved" or "withdrawn" in column 10.	
2. MAJOR SUBDIVISION Internal Revenue Service			
3. MINOR SUBDIVISION Small Business/Self-Employed (SB/SE)			
4. NAME OF PERSON WITH WHOM TO CONFER Tracee Taylor	5. TELEPHONE NUMBER (202) 283-9291	DATE 7/6/09	ARCHIVIST OF THE UNITED STATES <i>Michael Thomas</i>
6. AGENCY CERTIFICATION 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 <u>2</u> page(s) are not needed now for the business for 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, <input checked="" type="checkbox"/> is not required. <input type="checkbox"/> is attached; or <input type="checkbox"/> has been requested.			
DATE 3/25/2009	SIGNATURE OF AGENCY REPRESENTATIVE <i>[Signature]</i>		TITLE IRS Records Officer
7. ITEM NO.	8. DESCRIPTION OF ITEM AND PROPOSED DISPOSITION	9. GRS OR SUPERSEDED JOB CITATION	10. ACTION TAKEN (NARA USE ONLY)
	RCS 1.15.28 for Collection Future Updates: * Reserved Items 135 - 144 * Part VI – Other Program Records (not covered elsewhere in this Schedule): * Item 145, Reserved for Employee Protection System (EPS) * Item 146, Reserved for Form 6459, Return Preparer's Checksheet 1. New Item 147, Information Returns Processing - Incorrect Information Penalty (IRP IIP) System (add to Alphabetical Listing and Numerical Cross-Index at end of Schedule) * RCS 1.15.35 for Tax Administration Electronic Systems 1. Add pointer to Item 147 in RCS 1.15.28. RCS 1.15.35 is a cross-walk of electronic systems to official IRS Records Control Schedules. See attached for new Item 147 under 1.15.28, Part VI.		

**RCS 1.15.28, Item 147
Information Returns Processing - Incorrect
Information Penalty (IRP IIP) System**

Background:

Filers of information returns (payers) are subject to penalties for filing incorrect or incomplete returns, including penalties for an incorrect taxpayer name or identification number. A missing TIN is either completely missing, or contains invalid characters such as alphas or hyphens. An invalid TIN is one that does not match IRS records for that name/TIN combination. A TIN not currently issued cannot be found in either IRS or Social Security Administration (SSA) records.

This system targets the Third-Party Payer community that includes members of the financial industry, such as banks and credit unions, and a multitude of other payers in the fields of life, property and health insurance, health care, telecommunications, federal, state and local governments.

IRS sends a Notice 972(CG) (PMF Civil Penalties Notice) along with the listing of all the Selected IRP documents filed with an Incorrect TIN; an Incorrect TIN is determined by the TIN and Name taken together that does not match the IRS's Files. The listings are provided on a CD if there are over 250 Incorrect TIN Forms and on paper for cases that have 50-250 Incorrect TIN Forms.

IRC Section 6721 provides a payer may be subject to a penalty for failure to file a complete and accurate information return, including a failure to include the correct payee TIN. The penalty is \$50 per return, with a maximum penalty of \$250,000 per year (\$100,000 for small businesses). The penalty for intentional disregard is \$100 per return, with no maximum penalty.

IRC Section 6724 provides any penalties under Section 6721 may be waived if the payer shows the failure to file a correct TIN on an information return was due to reasonable cause and not willful neglect.

1

**Information Returns Processing - Incorrect
Information Penalty (IRP IIP) System**

**RCS
1.15.28,
Item 147**

Description:

The Information Returns Processing – Information Incorrect Penalty (IRP IIP) System is used to identify and assess Information Returns penalties against payers for failure to provide accurate taxpayer identification numbers (TINs) to the IRS.

a. Inputs:

Inputs from various electronic IRS sources including, Backup Withholding (BWH) for Incorrect TIN System, Payer Master File (PMF) Civil Penalties Drop File, Employee Identification Number (EIN) Name Control File, National Account Profile DM-1 File, PMF Doc File, and the

PMF Entity File.

Disposition: Delete after input verification into IRP IIP master files. Recordkeeping copies of this data are appropriately scheduled under other authorities in IRS RCS 1.15.29.

b. Data Files (Master Files):

The System Master Files contain those certain IRP Documents that are deemed to be filed with Incorrect Taxpayer Identification Numbers (TIN) and groups them together by Payer and prepares the data to be written to Computer Diskettes (CD) or the small cases to be printed and attached to the 972(CG) IRP Penalty cases. Data includes the Payer's TIN, Name and address and the individual Payee's filed TIN, Name, and Document Type.

1) Data needed to recreate cases for Payers.

This includes the Payer (case control) information and all the Payee information for all the "Incorrect TIN" documents filed that tax year.

Disposition: Cut off at end of Tax Year. Delete four years after cutoff.

2) All other work products.

This includes all the runs and data streams that go into creating the Incorrect TIN cases: Payer and Payee information.

Disposition: Delete after Tax Year processing.

c. Outputs:

1) Data files used to produce CDs of Incorrect TIN listings of IRP documents for the 972(CG) PMF Civil Penalties Project.

2) Data files for paper listings of Incorrect TIN listings of IRP documents for the 972(CG) PMF Civil Penalties Project.

3) Data files to recreate these listings for four years.

4) Various counts reports for control.

Disposition: Destroy all Output Class Documents when superseded, obsolete or no longer needed, whichever is later.

d. System Documentation:

System Documentation includes PRPs, Schematics and COHs maintained at the time of this publication on DOC-IT online with full CMM Version Control.

Disposition: Temporary. Delete/destroy when superseded or obsolete.