Schedule Number: N1-058-10-010

All items in this schedule are inactive. Items are either obsolete or have been superseded by newer NARA approved records schedules.

Description:

Records covered by GRS 5.2 and GRS 3.1

Date Reported: 8/28/2019
REQUEST FOR RECORDS DISPOSITION AUTHORITY  
(See Instructions on reverse)

TO NATIONAL ARCHIVES and RECORDS ADMINISTRATION (NWML)  
8601 ADELPHI ROAD, COLLEGE PARK, MD 20740-6001

FROM (Agency or establishment)  
Department of the Treasury

MAJOR SUBDIVISION  
Internal Revenue Service

MINOR SUBDIVISION  
Small Business/Self Employed (SB/SE)  
Accounts Management and Compliance Services

NAME OF PERSON WITH WHOM TO CONFER  
Daniel W Bennett  
IRS Records Officer

AGEincy 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__2__ 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, is not required.

DATE  
12/15/2009

SIGNATURE OF AGENCY REPRESENTATIVE  
Daniel W Bennett  
IRS Records Officer

TITLE  
National Office, OS A RE  
Washington, DC 20224

ITEM NO DESCRIPTION OF ITEM OF PROPOSED DISPOSITION  
RCS 1.15.35 for Tax Administration Electronic Systems

Future Updates:

Item 44, Midwest Automated Compliance System (MACS)
  • Language Change for system replacement (CADE to CDE)
  • New sub-items: e) Design/Development Phase
  • Documentation; f) MAC Site System Outputs

(see attached)
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 was replaced by CDE, Compliance Data Environment, which deployed its first phase in December 2008.

Description:

The Midwest Automated Compliance System (MACS) system 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 (EITC RA), 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

**Disposition**  
Temporary  
Delete/Destroy when superseded or obsolete

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**e. Design/Development Phase Documentation:**


**Disposition**  
Documentation for tax processing and administrative systems appraised as temporary  
**Retire** to Records Center immediately  
**Destroy** when 10 years old

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**f. MAC Site System Output Records:**

These records include information reports, program-related reports, ad hoc queries, and audit trail or equivalent documentation in electronic or hard copy formats

**Disposition**  
Individual MACS sites will keep their documents at their locale and Delete/Destroy when 1 year old or when no longer needed for administrative, legal, audit or other operational purposes