

REQUEST FOR RECORDS DISPOSITION AUTHORITY (See Instructions on reverse)		LEAVE BLANK (NARA use only)	
TO: NATIONAL ARCHIVES and RECORDS ADMINISTRATION (NWML) 8601 ADELPHI ROAD, COLLEGE PARK, MD 20740-6001		JOB NUMBER 71-058-04-4	
1. FROM (Agency or establishment) Department of Treasury		DATE RECEIVED 4-29-2004	
2. MAJOR SUBDIVISION Internal Revenue Service (IRS)		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request, including amendments, is approved except for items that may be marked "disposition not approval" or "withdrawn" in column 10.	
3. MINOR SUBDIVISION Office of Unpaid Assessment Analysis			
4. NAME OF PERSON WITH WHOM TO CONFER Gregory E. Kane Daniel W. Bennett, IRS Records Officer	5. TELEPHONE (202) 435-5346 (202) 283-9359	DATE 9-16-04	ARCHIVIST OF THE UNITED STATES <i>John W. Carl</i>
5. 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>3</u> 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, <input checked="" type="checkbox"/> is not required; <input type="checkbox"/> is attached; or <input type="checkbox"/> has been requested.			
DATE April 7, 2004	SIGNATURE OF AGENCY REPRESENTATIVE <i>Daniel W. Bennett</i>		TITLE IRS Records Officer National Office, OS:A:RE:SC Washington, DC 20224
7. ITEM NO.	8. DESCRIPTION OF ITEM OF PROPOSED DISPOSITION	9. GRS OR SUPERSEDED JOB CITATION	10. ACTION TAKEN (NARA USE ONLY)
	<p>Record Control Schedule 29 [old RCS 22, previously 206] For Service Center Operations.</p> <p>This Records Control Schedule cancels N1-58-94-3 for Disposition of RCS 29, Item 64 and re-schedules CSED Records.</p> <p>The records covered by this schedule are created and accumulated in the Office of Unpaid Assessment Analysis.</p> <p>This Request for Disposition Authority is intended to amend RCS 29, Item 64 <i>Collection Statute Expiration Date (CSED) Extension Extracts</i> to schedule for destruction records pending in National Archives and Records Administration Federal Records Centers for which no outstanding balance is due the Internal Revenue Service; authorize a disposition for retention of tax returns for which a balance is still due; and covers a sub-item for the Files Reference System used to control the CSED tracking process.</p> <p><u>Background.</u></p> <p>Prior to the Restructuring and Reform Act of 1998 (RRA98), the taxpayer and the Internal Revenue Service could agree in writing to extend the statute of limitations for collection of unpaid taxes. In the language of RRA98, Congress indicated that they believed many taxpayers were not then being informed of their rights to refuse to extend the statute of limitations on assessment or to limit the scope of any such extension. Congress further indicated that they believed all taxes should be collected within the 10 years statute and that the statute should not therefore be extended.</p> <p><i>cc Agency, IR, NWML, WA, NWC etc</i></p>		

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Background Continued.

RRA98 Section 3461 eliminated extension of the collection statute of limitations by agreement between the taxpayer and the Internal Revenue Service, except as they are allowed by installment agreements, Offers in Compromise (OIC), bankruptcy of a taxpayer process, appeals of collection due process, on-going litigation, or deferments for certain types of military active duty. Extensions of the collection statute are no longer authorized except in one of these types of cases. Though this may change in the future (with the addition of other extenuating cases), approval of longer extensions would not effect the disposition of the CSED records since their retention is factored on payment of the assessment. Instructions require the segregation between paid and unpaid accounts. Final disposition requires written notification by the IRS approving of destruction.

Internal Revenue Code Section 6159(a) stipulates that installment agreements must fully pay taxes before the Collection Statute Expiration Date (known as "CSED"). The Internal Revenue Service may request that a taxpayer sign IRS Form 900 to extend the statutory period for collection in connection with such an installment agreement. IRS Forms 900 as administered by the Internal Revenue Service allow for a one-time extension of the period of collection limited to five (5) years beyond the original statutory period for collection of each tax assessment.

The CSED is normally ten (10) years from the date of the assessment of tax per Internal Revenue Code 6502. An amendment changing the collection period from six (6) to ten (10) years was signed into law on November 5, 1990. Any collection expiration that was due to expire before November 1990 was under the six (6) year rule, whereas any account still open for collection on November 5, 1990 was under the new ten (10) year rule.

See the attached sheets.

04/20/04

SERVICE CENTERS

Item No.	Series Description	Authorized Disposition	NARA Job No.
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64 OPEN BALANCE DUE-COLLECTION STATUTE EXPIRATION DATE (CSED) EXTRACTS

The Omnibus Reconciliation Act of 1990 extended the CSED from six (6) years to ten (10) years, requiring the IRS to maintain tax returns with an open balance of unpaid assessment for an additional four years after the form series (e.g. 1040XX) destruction date. The Restructuring and Reform Act of 1998 (RRA98) and the Financial Integrity Act increased the length of time a file is retained in an open balance due process (i.e., CSED extract process) and changed the retention of the original source file(s) until notified by the IRS that the documentation can be destroyed. Each year, a master file extract generates requests, by DLN, for specific Business Master File (BMF) and Individual Master File (IMF) tax returns with open balance due accounts (i.e. unpaid assessments). These returns are to be removed from the original records retirement accession and then re-accessioned for continued retention using the appropriate sub-item. The process generates a listing that will indicate those files to be "saved" under a segregated accession. The remaining files with "No Balance Due" can then be destroyed upon notification by the IRS.

A. COLLECTION STATUTE EXPIRATION DATE (CSED) TAX RETURNS (LY1994 TO PRESENT)

LY1994 was the first full tax year that IMF and BMF tax returns were pulled under the following process as implemented in compliance with RRA-98. Thereafter, Open Balance Due tax returns are to be culled annually from each active LY by notification from the IRS and accessioned under sub-item A (1). Each year, the IRS will also provide NARA with a listing of returns, by DLN, for which the assessment due has been paid (No Balance Due). NARA will cull these returns from the accessions scheduled under A (1) and re-schedule them for destruction under sub-item A (2). These are to be destroyed by NARA after receipt of a Notice of Intent to Destroy signed by an authorized IRS employee.

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|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Open Accounts (Balance Due).
RETAIN TAX RETURNS</p> | <p>RETAIN at FRC until notified by IRS to pull/cull from collection tax returns to be destroyed. NEW</p> <p>SEE 2 below for Disposition Authority for culled collection identified as Closed Accounts (No Unpaid Balance Due). <i>Disposition approval not required. TT</i></p> |
| <p>2. Closed Accounts (No Unpaid Balance Due)
DESTROY TAX RETURNS</p> | <p>DESTROY immediately upon notification from the IRS. NEW</p> |

Item
No.

Series Description

Authorized Disposition

NARA
Job No.

**B. EXTENSION COLLECTION STATUTE – RECOVERY
(LY1990 – 1993) – CSED COLLECTION**

~~This series of records consists of the original BMF or IMF Tax Returns that were culled from LYs 1990-1993 to create a consolidated Open (or Unpaid) Balance Due collection. This collection was created in FY2000 using a computer program to select returns for which an assessed balance was still outstanding. The intent was to develop a "baseline" collection so that all unpaid assessments for these four LYs could be maintained in one file. Paper copies of electronic returns generated from optical disk may be included as the record copy for those BMF or IMF tax returns that were received electronically by the IRS.~~

~~RETAIN at FRC until notified by IRS to pull/cull from collection returns to be destroyed.~~

~~Re-schedule culled returns as Closed Accounts (No Unpaid Balance Due) under Sub-item A(2).~~

NEW

Disposition approval not required. TT

**C. EXTENSION COLLECTION STATUTE – PAID
(LY1990-1993) – CLOSED ACCOUNT COLLECTIONS**

This series of records consists of residual collections. These are legacy CSED records culled under the previous method when NARA was removing Closed Account (No Unpaid Balance Due) tax returns from other accessioned CSED collections. These accessions have been held by NARA pending approval of this item.

DESTROY immediately upon notification from the IRS.

NEW

D. FILES REFERENCE LIST – SYSTEM

1. Paper Listing

CUTOFF annually.
DESTROY when 4 years, 6 months old.

NEW

2. System Tape
(This is a tape generated by the CSED Request that lists pertinent DLNs.)

DESTROY/RECYCLE 180 days after production.

NEW

3. Charge-Out Run Tape
(This is a tape generated by the System Tape)

DESTROY/RECYCLE 180 days after production.

NEW