REQUEST FOR RECORDS DISPOSITION AUTHORITY	LEAVE BLANK (NARA use only)	
REQUEST FOR RECORDS DISPOSITION AUTHORITY *(See Instructions on reverse)*	JOB NUMBER **N1-058-08- _15_**	

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

DATE RECEIVED
8/6/08

1 FROM (Agency or establishment) Department of the Treasury	NOTIFICATION TO AGENCY
2 MAJOR SUBDIVISION Internal Revenue Service	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request, including amendments, is approved except for items that may be marked "disposition not approval" or "withdrawn" in column 10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 Small Business/Self Employed (SB/SE) Accounts Management and Compliance Services	

4 NAME OF PERSON WITH WHOM TO CONFER Daniel W Bennett IRS Records Officer	5 TELEPHONE 202-283-9359	DATE *1-13-09*	ARCHIVIST OF THE UNITED STATES *Adrienne Thomas*

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 __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 ☐ is attached, or ☐ has been requested

DATE August 6, 2008	SIGNATURE OF AGENCY REPRESENTATIVE Daniel W. Bennett **IRS Records Officer**	TITLE IRS Records Officer National Office, OS A RE 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7 ITEM NO	8 DESCRIPTION OF ITEM OF PROPOSED DISPOSITION	9 GRS OR SUPERSEDED JOB CITATION	10 ACTION TAKEN (NARA USE ONLY)
	RCS 1.15.35 for Tax Administration Electronic Systems **Future Updates:** * <u>**New Item 44, Midwest Automated Compliance System (MACS)**</u> **(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

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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

44

Description: Midwest Automated Compliance System (MACS) System   *NEW*

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.

Disposition   Temporary. Delete/destroy when superseded or obsolete.

115-109

NSN 7450-00-634-4064
PREVIOUS EDITION NOT USABLE

STANDARD FORM 115 (REV. 3-91)
Prescribed by NARA
36 CFR 1228