e-trak Non–Resident Filing – 8805 (e–trak NRF – 8805) – Privacy Impact Assessment

PIA Approval Date – Jul. 13, 2011

System Overview

The e–trak Non–Resident Filing – 8805 (e–trak NRF – 8805) will allow for document matching and credit verification using Form 8805. Currently there is no automated way to verify the withholding amounts for the 8805 filed with a 1040NR or 1120–F to prevent erroneous refunds for non–residents. Refund claims on the Form 1040NR and Form 1120–F tax returns will be verified by matching the recipients and withholding agent copies of the Form 8805 withholding documents

Systems of Records Notice (SORN):

- IRS 22.061--Information Return Master File
- IRS 24.030--Customer Account Data Engine Individual Master File
- IRS 24.046--Customer Account Data Engine Business Master File
- IRS 34.037--IRS Audit Trail and Security Record System

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

A. Taxpayer
- Partner Name
- Partnership Name
- U.S. Employee Identifying Number (EIN)
- Partner Address
- Partner City
- Partner State
- Partner Zip Code
- Foreign Partner Country Code
- Partner Type
- Partnership Effectively Connected Taxable Income (ECTI)
- Foreign Partner's Country Code
- Total Tax Credit (TTC) allowed to partner
- Amount Refund Denied
- Amount Refund Granted
- Amount Refund Requested

B. Employee – data is entered onto a record if they save any changes to a record. This is pulled from the session of the user who is logged in. The system is password protected and is only seen by personnel on a need to know basis.
- Employee/Analyst Standard Employee Identification (SEID) is entered in addition to the date a record is updated. System holds first, middle, last name, SEID, and email address.
- Date employee added information.

C. Other:
- Withholding Agent
  - Name
  - Employer Identification Number (EIN)

- Beneficiary
  - Name
  - Identifying Number
  - Beneficiary Address
  - ECTI included in beneficiary's gross income.
  - Amount of TTC that beneficiary is entitled to claim.

2. Describe/identity which data elements are obtained from files, databases, individuals, or any other source.

A. IRS – Analyst and/or examiners will review 8805 records and manually enter the amount of 8805 withholding refunded and the Recipient US TIN. The analyst and/or examiners will also enter a yes/no indicator that determines whether or not a record has been used.

B. Taxpayer – Information Returns Masterfile (IRMF) will provide an extract of Forms 8805 of all valid and error records. Subsequently, an extract will be completed each tax year on cycle 46 that includes all valid and error records received since the previous extract.

C. Employee – Only e–trak NRF users are authorized to access the e–trak NRF system after being granted access via OL5081. The users will log into the system using their SEID.

3. Is each data item required for the business purpose of the system? Explain.
Yes, all data collected is required for document matching and credit verification using Form 8805 data to verify the withholding amounts for the 8805 and prevent erroneous refunds.

4. How will each data item be verified for accuracy, timeliness, and completeness?
Users access the e–trak NRF module by authenticating at a login screen using their SEID and password. Users must enter accurate credentials before access is granted to the system. The system administrator prepares and reviews monitoring reports based on Information Technology Investment Management (ITIM) established timeframes to validate/verify data.

5. Is there another source for the data? Explain how that source is or is not used.
The e–trak–NRF–8805 has no other sources for data other than IRMF and manual entry.

6. Generally, how will data be retrieved by the user?
Users access the e–trak NRF–8805 module using LDAP (Lightweight Directory Access Protocol) authentication. Only authorized users can access e–trak NRF module and users can only retrieve or handle data based on their assigned user roles

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Yes. After logging into the e–trak NRF module, users are able to access records from the following fields:
- Federal Tax Withheld
- Gross Income
- Withholding Agent

- Payer
- NQI
- Recipient
- US TIN
- FTIN
- SSN
- EIN
- Address
- Account Number

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?

The primary users of the e–NRF module include examiner, analyst, auditor, reviewer, specialist, representative, technician, and administrator. This application does not allow access by the public. Only authorized users are granted authorization to e–trak NRF module through the on–Line 5081 process. The only maintenance personnel authorized to perform maintenance on the e–trak NRF module are the administrators. There are no contractor users of the system.

Role: System Admin
Permission: View records, execute Structured Query Language (SQL) queries, view audit data, add users, assign permissions, and review list of accounts.

Role: Examiner
Permission: Generate user reports, view, search, update records, database administrator access.

Role: Analyst
Permission: Generate user reports, view, search records.

Role: Auditor
Permission: Generate user reports, view, update records.

Role: Reviewer
Permission: Generate user reports, records.

Role: Specialist
Permission: Generate user reports, search, update records.

Role: Representative
Permission: Generate user reports, view records.

Role: Technician
Permission: Generate user reports, update records.

9. How is access to the data by a user determined and by whom?

Access to e–trak NRF module is determined by submitting an On-Line 5081 and receiving authorization from the user's approval manager.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.
No.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?
Not applicable.

12. Will other agencies provide, receive, or share data in any form with this system?
No.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?
A request for records disposition authority for e–trak applications and associated records is currently being drafted with the assistance of the IRS Records and Information Management (RIM) Program Office. When approved by the National Archives and Records Administration (NARA), disposition instructions for e–trak inputs, system data, outputs and system documentation will be published in IRM 1.15, exact Records Control Schedule and item number to be determined.

14. Will this system use technology in a new way?
No.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.
No.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.
No.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?
No.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?
No, the e–trak NRF module does not have the capability to make any negative determination. It is used to provide statistical and comparative information to analyst/examiners.

19. If the system is web–based, does it use persistent cookies or other tracking devices to identify web visitors?
No, upon logging into e–trak a session cookie is created. The session cookie is eliminated once the web user ends his/her session and exits out of the web browser. Persistent cookies are not administered by this system.

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