

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 N1-058-08-15	
1 FROM (Agency or establishment) Department of the Treasury		DATE RECEIVED 8/6/08	
2 MAJOR SUBDIVISION Internal Revenue Service		NOTIFICATION TO AGENCY	
3 MINOR SUBDIVISION Small Business/Self Employed (SB/SE) Accounts Management and Compliance Services		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request, including amendments, is approved except for items that may be marked "disposition not approval" or "withdrawn" in column 10	
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 <i>Adrienne Thomas</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>2</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 type="checkbox"/> is not required, <input type="checkbox"/> is attached, or <input type="checkbox"/> has been requested			
DATE August 6, 2008	SIGNATURE OF AGENCY REPRESENTATIVE <i>[Signature]</i> 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7 ITEM NO	8 DESCRIPTION OF ITEM OF PROPOSED DISPOSITION	9 GRS OR SUPERSEDED JOB CITATION	10 ACTION TAKEN (NARA USE ONLY)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)		

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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.

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.

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 Delete/destroy when superseded or obsolete.