

# The FTA – IRS Tactical Advisory Group

Tim Blevins & Peter Maser  
FTA Technology Conference  
August 6, 2007



## What is the TAG?

- ◆ Formed January 2003 by request of IRS Electronic Tax Administration (ETA)
- ◆ IRS representatives from Wage & Investment, Small Business/Self Employed, Mission Assurance Security Services and Electronic Tax Administration with other resources as needed
- ◆ Six states invited by FTA



## What is the TAG?

- ◆ Original State members CA, NY, SC, MD, VA, IL
  - 2007 new state members WI, MA & ID
  - 2008 3 new states members
- ◆ Facilitated by IRS and FTA
- ◆ 2006-07 Co-Chairs – Tim Blevins, KS and Peter Maser, IRS



## Who's on it?

- ◆ Key IRS representatives by function
- ◆ State members to represent all states
  - Balance of size, geography
  - FTA facilitates communications
- ◆ State members serve 2-year terms
- ◆ A portion of the State members rotate off every year
  - Liaison with TIGERS for technology implementation



## **TAG Charter**

- ◆ **Coordinate tactical planning for e-initiatives between IRS and states**
- ◆ **Improve communication and cooperation on priorities and strategies**
- ◆ **Agree on cooperative methods**
- ◆ **Produce/Facilitate outcomes**



## **1120 FedState Corporate**

- ◆ **Business requirements delivered**
- ◆ **State interest mobilized**
- ◆ **Deployment team formed**
- ◆ **7 states in production & 9 more planning to participate in 2007**
- ◆ **Technical work ongoing in TIGERS**
- ◆ **TAG provides oversight**



## Fed/State 1120, 1120S/1065 Accomplishments

- ◆ The IRS has made available over 33K Corporate State submissions for seven States; Four States are new for 2007.
- ◆ 1120/1120S State participants include Georgia, Kansas, Maryland, Michigan, New York, Pennsylvania & Wisconsin.
- ◆ The following nine states are anticipating opening in 2007: Alabama, Colorado, Delaware, Florida, Idaho, Missouri, Oregon, South Carolina, and Utah.
- ◆ Three States are participating in 1065 MeF program - Kansas, Maryland & Michigan. Five more States are planning to go live in 2007.



## MeF 1040 Status – Don't be left Behind

- ◆ IRS legacy 1040 e-file is planned to be discontinued 2012
- ◆ If a state not migrated by January 2012, will not be able to participate in 1040 Fed/State e-file
- ◆ 13 states so far - AZ, IN, NJ, KS, SC, AR, NC, WI, CO, MD, OH, ID, NE, & OR
- ◆ Contact [jonathan.lyon@taxadmin.org](mailto:jonathan.lyon@taxadmin.org)



## MeF 1040 Timeline

- ◆ **August 2009** Tax Year 2008 with 12 forms and schedules
- ◆ **January 2010** Tax Year 2009 with 12 forms and schedules and Tax Year 2008 with 12 forms and schedules
- ◆ **January 2011** Tax Year 2010 with all forms and schedules  
Tax Year 2009 with 12 forms and schedules and  
Tax Year 2008 with 12 forms and schedules



## 1040 MeF – Some To Dos

- ◆ Get familiar with XML and Web Services technologies (possible personnel training)
- ◆ Build a communications gateway (in-house or possibly contract)
- ◆ Build XML from state 1040 forms, to serve as one part of the standardized e-filing XML format that will be employed by all states (in-house)
- ◆ Define state business rules (get familiar with established 1040MeF rules, and use existing state-specifics for state return)
- ◆ Build programming interfaces to a back-end processing system
- ◆ Create a return viewing system (for 1040, already created unless changes are desired)
- ◆ Test application with IRS & test application with ready vendors
- ◆ Production e-filing, vendor support (continuous testing), taxpayer assistance etc.



## Joint Marketing

- ◆ Sharing research findings with states with goal of increasing efile
- ◆ Multilingual Initiative
- ◆ IRS shared electronic IRS strategy
- ◆ States shared Telefile strategies
- ◆ FedState message included in IRS ads
- ◆ Develop "best practices" -- States/IRS



## Fed/State EFTPS Payments

- ◆ Online effort with Illinois launched in December 2006
- ◆ Over \$200M in state withholding payments through July 1<sup>st</sup>.
- ◆ Evaluating further expansion opportunities including batch and phone
- ◆ Pilot effort: IRS, FMS, BofA, IL, & SC



## Monitor IRS Trends

- ◆ Assess impact on states
- ◆ Create state awareness
- ◆ Ensure communication and coordination
- ◆ Examples:
  - Consolidation of Extensions
  - Expansion of Third Party Data Store
  - Prisoner Fraud Detection



## Data Security Accomplishments

- ◆ Formed the TAG Security Subgroup in 2005
- ◆ Co-Chaired by Tim Blevins, Kansas & Ellen Pieklo, IRS, MA & SS
- ◆ 5 state members include representatives from:
  - Kansas
  - California
  - Connecticut
  - Massachusetts
  - Wisconsin



## Data Security Accomplishments

- ◆ Established a partnership between the IRS and the state taxation agencies, working through the Federation of Tax Administrators
- ◆ Enabled state agencies to have input into bringing the Publication 1075 into the 20th century



## Data Security Accomplishments

- ◆ Hosted the first-ever FTA Computer Security Conference
- ◆ Review of high-level policy and were instrumental in providing state input to new Publication 1075
- ◆ State information security officers
- ◆ Executive level IRS support
- ◆ Six states plus TIGERS
- ◆ Bi-weekly conference calls



## Data Security Accomplishments

- ◆ Review of system-specific settings (“SCSEMs”, self-audit tools and submission of change requests to Safeguards
- ◆ Identified security requirements for IRS data in state data warehouses
- ◆ Pilot strong authentication for MeF



## Security Implementation Challenges

- ◆ Received new guidance from Office of Management & Budget
- ◆ Must provide a mechanism to send email in a secure manner
- ◆ All laptop information should be encrypted
- ◆ Must report incidents of loss of data and/or laptops within the hour
- ◆ Must coordinate state reporting of incidents with IRS requirements



## Ongoing Security Challenges

- ◆ TAG Security Subgroup members are participating in Secure Data Transfer test, providing recommendations & feedback to IRS
- ◆ Need to update Publication 1075
  - Personnel Security
  - Physical Security
  - Address all NIST 800-53 requirements



## TAG Multilingual Initiative

- ◆ Identify needs and develop solutions to improve e-filing for Spanish-speaking clients
- ◆ Developed on-line surveys targeting vendor solution providers & community/faith based groups to gather trends



## New Initiatives

- ◆ Fed/State 1065/1040
- ◆ Fed/State ERO registration
- ◆ Authentication and Signatures
- ◆ Understand IRS Enterprise Architecture and its implications for the states
- ◆ Compliance issues



## New Initiatives

- ◆ **TAG Survey**
  - To receive feedback from states on potential new Fed/State e-commerce initiatives & your priorities
  - E-mailed to Commissioners in April
  - Will provide additional direction to TAG work effort



## Join Us!

- ◆ Executive level participation in setting direction for Fed/State e-initiatives
- ◆ Three face meetings each year
- ◆ Three new states on TAG for 2007
- ◆ Opportunity for other states to participate in TAG Subcommittees in 2008
- ◆ Participation welcomed at October 3-4 meeting in DC.



## Join Us!

- ◆ If your state is interested, please contact Jonathan Lyon, FTA
  - [Jonathan.Lyon@taxadmin.org](mailto:Jonathan.Lyon@taxadmin.org)
  - Phone 202-624-5894



# Questions?

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