

IRS
Secure Data Transfer
(SDT) Program

FTA Annual Meeting
June 11, 2007

Description of SDT

- Secure Data Transfer (SDT) is a means to exchange files with state & municipal tax agencies electronically in a secure & automated environment over the Internet
- SDT will eventually be used for all data exchanges with all Trading Partners (TP)
- SDT will replace the shipment of IRS unencrypted tape cartridges via US mail

Description of SDT

- OMB M-06-16, Protection of Sensitive Agency Information, is the reason for new file exchange procedures
- IRS is working closely with the FTA TAG Security Sub-group to address state concerns as we implement SDT
- IRS has chosen Tumbleweed's SecureTransport product for SDT

Tumbleweed's SecureTransport

- Easy to install and use
- FIPS 140-2 compliant
- Using HTTPS protocol
- SSL Encryption
- User authentication via digital certificates
- IRS pays for 1st year license
- Annual renewal under \$50 (paid by trading partner)

Digital Certificates

- Contracted with Identrust, a 3rd-party certificate authority
- IRS will pay for one 2-year certificate per Trading Partner (TP)
- TP responsible for bi-annual renewals – \$119 every 2 years
- TP may procure more than one certificate as desired (one per user required)

SDT Implementation Plan

- State and municipal tax agencies will be converted to SDT first
- IRS files going to State and municipal tax agencies will be converted first
- Eventually all Trading Partners and data exchanges will be converted

TP Implementation Plan

- SDT tested successfully with 15 FedState agencies in April 07
- State and municipal tax agencies to be converted to SDT by 6-30-07
- TP's have received 3 instructional e-mails for SDT conversion (welcome package)
- TP's may send requests for help with conversion to **SDTHELP@IRS.GOV**.

Extract Implementation Plan

- Files going to State and municipal tax agencies will be converted to SDT for GLDEP distributions after July 1, 2007
- Tapes will no longer be shipped
- All IRS outgoing files will be converted by 9-30-07.
- Incoming files including tickler files will be converted after 10-1-07

End User Agreement

- An End-User Agreement (EUA) must be signed by all agencies accepting SDT
- A draft EUA has been developed by IRS and is currently under review
- Agencies need to sign the agreements in order to continue to receive extract data via SDT
- No modification of existing agreements or Safeguard Procedures Report (SPR)

Open Issue: Throughput

- Testing identified the need to increase IRS bandwidth to improve file transmission speed or throughput
- IRS will compress files to improve throughput – decision on compression method pending
- Efforts to improve throughput will continue as we begin to use SDT

Open Issue: Record Counts

- Record counts were formerly provided as part of the tape trailer
- IRS will provide record counts as part of the SDT process
- Working to provide the file record count as the last record in the electronic file

SDT Help

- IRS has created a unique e-mail address for technical help: SDTHELP@IRS.GOV
- FAQ Handout
- All other questions should be directed to the local IRS Governmental Liaison in your area
- Janet Miner, Chief Data Services
Janet.r.miner@irs.gov