

Approved: July 24, 1998.

Doug Rogers,

Project Manager, International District Operations.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

Privacy Act of 1974; Computer Matching Program

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice.

SUMMARY: Pursuant to section 552a(e)(12) of the Privacy Act of 1974, as amended, and the Office of Management and Budget (OMB) Guidelines on the Conduct of Matching Programs, notice is hereby given of the conduct of Internal Revenue Service computer matching programs.

In accordance with pertinent provisions of section 6103 of the Internal Revenue Code (IRC) of 1986, the computer matching programs provide Federal, State, and local agencies with tax information from IRS records to assist them in administering the programs and activities described hereafter. The purpose of these programs is to prevent or reduce fraud and abuse in certain Federally assisted benefit programs and facilitate the settlement of government claims while protecting the privacy interest of the subjects of the match. The matches are conducted on an on-going basis in accordance with the terms of the Computer Matching Agreement in effect with each participant as approved by the Data Integrity Boards of both agencies, and for the period of time specified in such agreement. Members of the public desiring specific information concerning an on-going matching activity may request a copy of the agreement at the address provided below.

EFFECTIVE DATES: This notice will be effective September 10, 1998.

ADDRESSES: Inquiries may be mailed to the National Director, Office of Governmental Liaison and Disclosure, Internal Revenue Service, 1111 Constitution Ave., NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: M. R. Taylor, Program Manager, Office of FedState Relations, Internal Revenue Service, 202-622-5145.

SUPPLEMENTARY INFORMATION: The nature, purposes and authorities for IRS

computer matching programs are as follows:

Matches Conducted Pursuant to IRC 6103(l)(7).

The Service is required, upon written request, to disclose current return information from returns with respect to unearned income from the Internal Revenue Service files to any Federal, State, or local agency administering a program listed below:

(i) A State program funded under part A of title IV of the Social Security Act;

(ii) Medical assistance provided under a State plan approved under title XIX of the Social Security Act;

(iii) Supplemental security income benefits under title XVI of the Social Security Act, and federally administered supplementary payments of the type described in section 1616(a) of such Act (including payments pursuant to an agreement entered into under section 212(a) of Pub. L. 93-66);

(iv) Any benefits provided under a State plan approved under title I, X, XIV, or XVI of the Social Security Act (as those titles apply to Puerto Rico, Guam, and the Virgin Islands);

(v) Unemployment compensation provided under a State law described in section 3304 of the Internal Revenue Code;

(vi) Assistance provided under the Food Stamp Act of 1977;

(vii) State-administered supplementary payments of the type described in section 1616(a) of the Social Security Act (including payments pursuant to an agreement entered into under section 212(a) of Pub. L. 93-66);

(viii)(I) Any needs-based pension provided under Chapter 15 of title 38, United States Code, or under any other law administered by the Secretary of Veterans Affairs;

(II) Parents' dependency and indemnity compensation provided under section 1315 of title 38, United States Code;

(III) Health-care services furnished under sections 1710(a)(1)(I), 1710(a)(2), 1710(b) and 1712(a)(2)(B) of U.S.C. title 38;

(IV) Compensation paid under chapter 11 of title 38, United States Code, at the 100 percent rate based solely on unemployability and without regard to the fact that the disability or disabilities are not rated as 100 percent disabling under the rating schedule. Only return information from returns with respect to net earnings from self-employment and wages may be disclosed under this paragraph for use with respect to any program described in (viii)(IV); and

(ix) Any housing assistance program administered by the Department of

Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this clause only on written request by the Secretary of Housing and Urban Development and only for use by officers and employees of the Department of Housing and Urban Development with respect to applicants for and participants in such programs. Public Law 105-34, section 1023(a) (August 5, 1997) extended the termination date for clause (viii) from September 30, 1998 to September 30, 2003. Public Law 105-65, section 542(b) (October 27, 1997) repealed the termination clause for clause (ix).

Information is disclosed by the IRS only for the purpose of, and to the extent necessary in, determining eligibility for, or the correct amount of, benefits under the aforementioned programs.

The return information is extracted on a monthly basis from the Internal Revenue Service Wage and Information Returns Processing File (Treasury/IRS 22.061 (IRP)) for the latest tax year. This file contains information returns (e.g., Forms 1099-DIV, 1099-INT and W-2G) filed by payers of income.

Federal agencies expected to participate in (l)(7) matches and their Privacy Act systems of records are:

1. Department of Housing and Urban Development, Office of Public and Indian Housing (Tenant Assistance and Contract Verification Data System, HUD/H-11);
2. Department of Veterans Affairs, Veterans Benefits Administration (Compensation, Pension, Education and Rehabilitation Records, 58 VA 21/22);
3. Department of Veterans Affairs, Veterans Health Administration (Patient Medical Records-VA, 24VA136); and
4. Social Security Administration, Office of Program Benefits Policy (Supplemental Security Record (SSR), HHS/SSA/OSR 90-60-0103).

State agencies expected to participate using non-federal systems of records are:

1. Alabama Department of Human Resources
2. Alabama Medicaid Agency
3. Alaska Department of Health and Social Services
4. Arizona Department of Economic Security
5. Arizona Health Care Cost Containment System
6. Arkansas Department of Human Services
7. California Department of Social Services
8. Colorado Department of Human Services

9. Connecticut Department of Social Services
10. Delaware Health and Social Services
11. District of Columbia Department of Human Services
12. Florida Department of Children and Families
13. Georgia Department of Human Resources
14. Guam Department of Public Health and Social Services
15. Hawaii Department of Human Services
16. Idaho Department of Health and Welfare
17. Illinois Department of Human Services
18. Indiana Family and Social Services Administration
19. Iowa Department of Human Services
20. Kansas Department of Social and Rehabilitative Services
21. Kentucky Cabinet for Families and Children
22. Louisiana Department of Health and Hospitals
23. Louisiana Department of Social Services
24. Maine Department of Human Services
25. Maryland Department of Human Resources
26. Massachusetts Department of Transitional Assistance
27. Massachusetts Division of Medical Assistance
28. Michigan Family Independence Agency
29. Minnesota Department of Human Services
30. Mississippi Division of Medicaid
31. Mississippi Department of Human Services
32. Missouri Department of Social Services
33. Montana Department of Public Health and Human Services
34. Nebraska Department of Health and Human Services
35. Nevada Department of Human Resources
36. New Hampshire Department of Health and Human Services
37. New Jersey Department of Human Services
38. New Mexico Human Services Department
39. New York Office of Temporary and Disability Assistance
40. North Carolina Department of Health and Human Services
41. North Dakota Department of Human Services
42. Ohio Department of Human Services
43. Oklahoma Department of Human Services
44. Oregon Department of Human Resources
45. Pennsylvania Department of Public Welfare

46. Puerto Rico Department of the Family
47. Puerto Rico Department of Health
48. Rhode Island Department of Human Services
49. South Carolina Department of Social Services
50. South Dakota Department of Social Services
51. Tennessee Department of Human Services
52. Texas Department of Human Services
53. Utah Department of Health
54. Utah Department of Workforce Services
55. Vermont Department of Social Welfare
56. Virgin Islands Bureau of Health Insurance and Medical Assistance
57. Virgin Islands Department of Human Services
58. Virginia Department of Social Services
59. Washington Department of Social and Health Services
60. West Virginia Department of Human Services
61. Wisconsin Department of Workforce Development
62. Wyoming Department of Family Services

Matches Conducted Pursuant to IRC 6103(m)(2).

(A) In general, except as provided in subparagraph (B), the Service may, upon written request, disclose the mailing address of a taxpayer for use by officers, employees, or agents of a Federal agency for purposes of locating such taxpayer to collect or compromise a Federal claim against the taxpayer in accordance with sections 3711, 3717, and 3718 of title 31.

(B) In the case of an agent of a Federal agency which is a consumer reporting agency (within the meaning of section 603(f) of the Fair Credit Reporting Act, 15 U.S.C. 1681a(f)), the mailing address of a taxpayer may be disclosed to such agent under subparagraph (A) only for the purpose of allowing such agent to prepare a commercial credit report on the taxpayer for use by such Federal agency in accordance with sections 3711, 3717, and 3718 of title 31.

The IRS information provided is extracted weekly from the Individual Master File (IMF) (Treasury/IRS 24.030).

Federal agencies expected to participate in (m)(2) matches and their Privacy Act systems of records are:

1. Department of Housing and Urban Development (Accounting Records (HUD/DEPT-2));
2. National Institutes of Health (IRS Address Request System (116841));
3. Social Security Administration (Supplemental Security Income Record

(HHS/SSA/OSR 09-60-0103); and Master Beneficiary Record (HHS/SSA/OSR 09-60-0090));

4. Department of Education Federal Family Education Loans Division, title IV Program File (18-40-0024); and

5. Department of Veterans Affairs, Accounts Receivable Records—VA (88VA244).

Matches Conducted Pursuant to IRC 6103(m)(4).

In general, upon written request from the Secretary of Education, the Service may disclose the mailing address of any taxpayer who owes an overpayment of a grant awarded to such taxpayer under subpart 1 of part A of title IV of the Higher Education Act of 1965, or who has defaulted on a loan made under part B, D, or E of title IV of the Higher Education Act of 1965 or made pursuant to section 3(a)(1) of the Migration and Refugee Assistance Act of 1962 to a student at an institution of higher education. This section further provides for the redisclosure by the Secretary of Education of a taxpayer's mailing address to any lender, or any State or nonprofit guarantee agency, participating under part (B) or (D) of title IV of the Higher Education Act of 1965, or any educational institution with which the Secretary of Education has an agreement under subpart 1 of part A, or part D, or E, of title IV of such Act. Redisclosure is made by the Secretary of Education for use only by officers, employees, or agents of such lender, guarantee agency, or institution whose duties relate to the collection of student loans for purposes of locating individuals who have defaulted on student loans made under such program for purposes of collecting such overpayment or loan.

The IRS information provided is extracted from the IMF (Treasury/IRS 24.030). The U.S. Department of Education matches the title IV Program File [18-40-0024] with the IMF.

Matches Conducted Pursuant to IRC 6103(m)(5).

Upon written request from the Secretary of Health and Human Services (HHS), the Service may disclose the mailing address of any taxpayer who has defaulted on a loan made under part C of title VII of the Public Health Service Act or under subpart II of part B of title VIII of such Act, for use only by officers, employees, or agents of the Department of Health and Human Services for purposes of locating such taxpayer for purposes of collecting such loan. This section also provides for the redisclosure by the Secretary of HHS of a taxpayer's mailing address to any

school with which the Secretary has an agreement under subpart II of part C of title VII of the Public Health Service Act, or subpart II of part B of title VIII of such Act, or any eligible lender (within the meaning of section 737(4) of such Act) participating under subpart I of part C of title VII of such Act.

Redislosure is made by the Secretary of HHS for use only by officers, employees,

or agents of such school or eligible lender whose duties relate to the collection of student loans for purposes of locating individuals who have defaulted on student loans made under such subparts for the purposes of collecting such loans.

The IRS information provided is extracted from the IMF (Treasury/IRS 24.030). The Department of Health and

Human Services matches the Public Health Service and National Health Service Corps Provider Records System (HHS/HRSA/BHCDA 09-15-0037) with the IMF.

Dated: August 4, 1998.

Shelia Y. McCann,

Deputy Assistant Secretary (Administration).

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