March 11, 2025

Control Number:	RAAS-10-0325-0001
Expiration Date:	March 10, 2027
Affected IRM:	Proposed New IRM 10.24.1 (IGM RAAS-10-0524-0001)

MEMORANDUM FOR ALL SENIOR EXECUTIVES

Reza Rashidi Digitally signed by Reza Rashidi
Date: 2025.03.11 12:39:53 -04'00'

FROM: Reza Rashidi
           Acting Chief Data and Analytics Officer (CDAO) and Responsible AI Official (RAIO)

SUBJECT: Interim Policy for AI Governance

This interim guidance memorandum (IGM) is issued to communicate that IGM RAAS-10-0524-0001 for New IRM 10.24.1, *Artificial Intelligence (AI) Governance and Principles* is suspended until further notice. It is superseded by the "Interim Policy for AI Governance" provided by this IGM.

The Responsible AI Official (RAIO) issues this IGM due to impacts of executive orders from President Donald Trump on government-wide directives, processes, and priorities for AI governance. The content of RAAS-10-0524-0001 will be reviewed and updated as necessary to ensure alignment with new executive orders and directives, and updated guidance will be issued as soon as practicable.

Please distribute this IGM and attachment to all IRS employees, contractors, and vendors responsible for developing, procuring, using, and monitoring AI.

Purpose: The RAIO issues this IGM to ensure IRS alignment with executive orders that remain in effect regarding AI governance while awaiting updated guidance as a result of EO 14179 on *Removing Barriers to American Leadership in Artificial Intelligence* (January 23, 2025). The Office of Management and Budget (OMB) will issue revisions to Memoranda M-24-10 on *Advancing Governance, Innovation, and Risk Management for Agency Use of Artificial Intelligence* (March 28, 2024) and M-24-18 on *Advancing the Responsible Acquisition of Artificial Intelligence in Government* (September 24, 2024).

Effect on Other Documents: This IGM supersedes RAAS-10-0524-0001, Interim Guidance for New IRM 10.24.1, *Artificial Intelligence (AI) Governance and Principles*.

Effective Date: March 11, 2025

Contact: Please send questions or inquiries related to this guidance to #███████████████████████#

Attachment: Interim Policy for AI Governance

cc: FOIA Library on IRS.gov

Manual Transmittal Month DD, YYYY

Purpose

(1) This transmits proposed new Internal Revenue Manual (IRM) 10.24.1, Interim Policy for Artificial Intelligence (AI) Governance.

Material Changes

(1) This update to proposed IRM 10.24.1 suspends certain requirements for Internal Revenue Service (IRS) development, implementation, and use of AI, in light of recent executive orders from President Donald Trump. It replaces suspended requirements with an interim policy for AI governance while the IRS awaits additional guidance from the Office of Management and Budget (OMB) and the Department of the Treasury.

(2) The table below provides a summary of changes from the prior version of this proposed IRM issued as interim guidance on May 20, 2024 (control number RAAS-10-0524-0001).

IRM Subsection	Summary of Changes
10.24.1.1, Program Scope and Objectives	(1) Replaced content of 10.24.1.1.1, Background, with a description of recent executive orders affecting AI governance and explaining the need for this policy change. (2) Updated 10.24.1.1.2, Authority, to reflect executive orders that remain in effect which direct activities related to AI governance. Removed authorities that have been rescinded or are currently under revision, along with superfluous authorities not specifically directing AI governance activities. (3) Updated 10.24.1.1.3, Roles and Responsibilities, to explain the designation of the Chief Data and Analytics Officer (CDAO) as the IRS Responsible AI Official (RAIO). That explanation was previously included in Exhibit 10.24.1-1, Terms and Acronyms. Additionally, removed description of the Data and Analytics Strategic Integration Board (DASIB), as their role in AI governance is being suspended, and removed description of the AI Governance Project Management Office (PMO), which is referred to more generally in this revised policy as the CDAO team.
10.24.1.2, Principles for Use of AI	(1) Renamed subsection and clarified in paragraph 1 that the IRS follows the "Principles for Use of AI in Government" outlined in EO 13960.
10.24.1.3, AI Use Case Inventory	(1) Renumbered subsection (previously 10.24.1.4). Consolidated and reordered content for clarity. (2) Updated paragraph 2 to provide additional details regarding project team responsibilities for entering and maintaining AI use case entries in the inventory.
10.24.1.4, AI Governance	(1) Renumbered subsection (previously 10.24.1.5). (2) Added paragraphs 2-5 to define operational use of AI and to explain the new interim policy governing approval for operational use of AI. (3) Renumbered subsection 10.24.1.4.1 (previously 10.24.1.5.2). In that subsection, paragraph 1 adds the authority requiring model card and datasheet artifacts, and sub-points (a) and (b)

	clarify the number of Model Card and Datasheet artifacts required per use case. Paragraphs 2-5 explain project team and CDAO responsibilities for submission, revision, and review of Model Card and Datasheet artifacts.
	(4) Removed description of artifacts outlined in previous subsection 10.24.1.5.2 that are not required at this time.
10.24.1.5, Protection of Taxpayer Rights	(1) Renamed and renumbered subsection (previously 10.24.1.9, Ethical Standards and Protection of Taxpayer Rights).
	(2) Updated to remove citation of rescinded EO 14110.
10.24.1.6, Privacy and Security Requirements	(1) Renumbered subsection (previously 10.24.1.10).
	(2) Added reference to IRM 10.5.1.6, Practical Privacy Policy.
Exhibit 10.24.1-1, Terms and Acronyms	(1) Removed terms and definitions from rescinded EO 14110 and from OMB M-24-10, which is currently under revision.
	(2) Removed terms and acronyms not used in this revised policy.
Exhibit 10.24.1-2, Related Resources	(1) Removed references that have been rescinded or are currently under revision, along with superfluous authorities not specifically directing AI governance activities.

(3) The supplementary table below identifies content from the prior version of this proposed IRM that was _removed_ in this update.

IRM Subsection (Prior Version)	Reason for Removal
10.24.1.3, Responsible Artificial Intelligence Official (RAIO)	Content relied on rescinded EO 14110 and on OMB Memorandum M-24-10, which is currently under revision. Role of RAIO was incorporated in 10.24.1.1.2, Roles and Responsibilities.
10.24.1.5.1, AI Governance Key Stakeholders and Responsibilities	AI governance roles and responsibilities for the DASIB and the AI Assurance Team (AIAT) are suspended pending additional guidance from OMB and the Department of the Treasury regarding AI governance activities. Remaining roles and responsibilities are incorporated under 10.24.1.1.3, Roles and Responsibilities.
10.24.1.5.3, AI Governance Process for AI Use Cases	Superseded by this revised policy. See subsection 10.24.1.4, AI Governance.
10.24.1.6, AI Sharing and Collaboration	Content relied on rescinded EO 14110 and on OMB Memorandum M-24-10, which is currently under revision.
10.24.1.7, Determining Whether AI is Safety-Impacting or Rights-Impacting	Content relied on rescinded EO 14110 and on OMB Memorandum M-24-10, which is currently under revision.
10.24.1.8, Minimum Practices Before and During Use of Safety-Impacting or Rights-Impacting AI	Content relied on rescinded EO 14110 and on OMB Memorandum M-24-10, which is currently under revision.

Effect on Other Documents

(1) This update to proposed new IRM 10.24.1 supersedes a prior version of this proposed IRM issued as interim guidance on May 20, 2024 (RAAS-10-0524-0001).

Audience

(1) IRM 10.24.1, Interim Policy for AI Governance, will be distributed to all personnel responsible for developing, procuring, using, and monitoring AI. This policy applies to all IRS employees, contractors, and vendors.

Effective Date
(MM-DD-YYYY)

Signature
Reza Rashidi
Acting Chief Data and Analytics Officer

IRM

Part 10
Security, Privacy, Assurance and Artificial Intelligence

Chapter 24
Artificial Intelligence

Section 1
Interim Policy for AI Governance

Table of Contents

10.24.1.1 (MM-DD-YYYY)
Program Scope and Objectives

(1) **Overview:** This Internal Revenue Manual (IRM) lays the foundation to implement and manage the use of artificial intelligence (AI) within the Internal Revenue Service (IRS).

(2) **Purpose of the Program:** The purpose of this program is to develop and publish governance policies to create trust in the use of AI through responsible AI practices, and to ensure compliance with federal mandates.

(3) **Audience:** The provisions within this manual apply to:

a) All offices, businesses, operating units, and functional units within the IRS.
b) Individuals and organizations having contractual arrangements with the IRS, including employees, contractors, vendors, and outsourcing providers, which use or operate information systems that store, process, or transmit IRS information or connect to an IRS network or system.

(4) **Policy Owner:** Chief Data and Analytics Officer (CDAO), who also serves as the IRS Responsible AI Official (RAIO).

(5) **Program Owner:** CDAO, who also serves as the IRS RAIO.

(6) **Program Goals:** To support the responsible use of AI at the IRS.

10.24.1.1.1 (MM-DD-YYYY)
Background

(1) IRS use of AI is governed by executive orders (EOs) and other government-wide guidance and directives, and by direction received from the Department of the Treasury. For example, EO 13859 of February 11, 2019, on *Maintaining American Leadership in Artificial Intelligence*, called for American leadership in AI research and development and outlined a policy to foster public trust and confidence in AI technologies. EO 13960 of December 8, 2020, on *Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government*, directed agencies to abide by nine guiding principles for government use of AI and to collect and report an annual AI use case inventory.

(2) Two January 2025 executive orders from President Trump affect prior AI governance policy outlined in RAAS-10-0524-0001 of May 20, 2024, on Interim Guidance for New IRM 10.24.1, *Artificial Intelligence (AI) Governance and Principles*:

a) EO 14148 of January 20, 2025, on *Initial Rescissions of Harmful Executive Orders and Actions,* revoked EO 14110 of October 30, 2023, on *Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence*. EO 14110 had previously been a primary authority for federal AI governance policy.

b) EO 14179 of January 23, 2025, on *Removing Barriers to American Leadership in*

Artificial Intelligence, directed a group of presidential advisors to "review […] all policies, directives, regulations, orders, and other actions taken pursuant to the revoked Executive Order 14110" and to "identify any actions taken pursuant to Executive Order 14110 that are or may be inconsistent with, or present obstacles to, the policy [to sustain and enhance America's global AI dominance in order to promote human flourishing, economic competitiveness, and national security]." It further directs agency heads to "suspend, revise, or rescind [any agency actions identified by the designated reviewers as inconsistent with new policy]" or to "propose suspending, revising, or rescinding such actions [as appropriate and consistent with applicable law]." If such actions cannot be finalized immediately, agencies are instructed to provide all available exemptions until such action can be finalized.

c) EO 14179 also tasks the Office of Management and Budget (OMB) Director, in coordination with the Assistant to the President for Science and Technology, to revise two OMB Memoranda within 60 days to make them consistent with the January 23 EO: OMB M-24-10 of March 28, 2024 on *Advancing Governance, Innovation, and Risk Management for Agency Use of Artificial Intelligence*, and OMB M-24-18 of September 24, 2024 on *Advancing the Responsible Acquisition of Artificial Intelligence in Government*. Both memos were originally issued under the authority of rescinded EO 14110.

(3) RAAS-10-0524-0001 of May 20, 2024, on Interim Guidance for New IRM 10.24.1, *Artificial Intelligence (AI) Governance and Principles*, is based on EO 13960 and OMB Memorandum M-24-10. While EO 13960 remains in effect, OMB M-24-10 is currently under revision per EO 14179. RAAS-10-0524-0001 is being updated accordingly.

10.24.1.1.2 (MM-DD-YYYY)
Authority

(1) EO 13859, *Maintaining American Leadership in Artificial Intelligence.*

(2) EO 13960, *Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government*.

(3) EO 14179, *Removing Barriers to American Leadership in Artificial Intelligence.*

10.24.1.1.3 (MM-DD-YYYY)
Roles and Responsibilities

(1) The CDAO acts as the RAIO to oversee IRS implementation of federal AI requirements, in alignment with direction from the Department of the Treasury. The CDAO is also responsible for coordination of AI governance and assurance activities within the IRS.

a) This designation follows EO 13960 Section 8(c), which directs agencies to appoint "responsible [AI] official(s) at that agency," and 2022 OMB guidance titled "Suggested Practices for Assessing Agency AI Use Case Inventory, per EO 13960."

(2) Senior executives in each business unit are responsible for conducting and managing AI use within their business units in compliance with this IRM and other applicable policies.

(3) Executives in each business unit are responsible for following the policies in IRM

10.5.2.2, Privacy and Civil Liberties Impact Assessment (PCLIA), to ensure their business units complete a PCLIA when required, such as for systems or projects that involve personally identifiable information (PII).

(4)   Employees are responsible for complying with this IRM and related IRS AI requirements, guidance, and processes, as well as other relevant information disclosure laws, regulations, and policies, including Internal Revenue Code (IRC) 6103 and the Privacy Act. See IRM 11.3, Disclosure of Official Information, and IRM 10.5.6, Privacy Act.

(5)   Any IRS business unit or program office may contact the CDAO team at #████████████████████# for information about opportunities and requirements for AI use. Business units and program offices may also seek support or guidance from the CDAO team for training, communication, and other actions related to the use of AI.

10.24.1.1.4 (MM-DD-YYYY)
Program Management and Review

(1)   Use of AI at the IRS will be managed and reported in accordance with the provisions of this IRM, subject to applicable laws, policies, and security and privacy protections. The CDAO, as RAIO, will oversee all internal and external reporting.

10.24.1.1.5 (MM-DD-YYYY)
Program Controls

(1)   The Office of the CDAO will monitor authoritative sources of federal guidance for revisions that may affect policies and programs for AI governance at the IRS and will update this IRM and related policies as needed.

(2)   The contents of this IRM provide program controls for IRS use of AI.

10.24.1.1.6 (MM-DD-YYYY)
Terms and Acronyms

(1)   Refer to Exhibit 10.24.1-1, Terms and Acronyms, for a list of terms, acronyms, and definitions.

10.24.1.1.7 (MM-DD-YYYY)
Related Resources

(1)   Refer to Exhibit 10.24.1-2, Related Resources, for a list of related resources and references.

10.24.1.2 (MM-DD-YYYY)
Principles for Use of AI

(1)   The IRS adheres to the "Principles for Use of AI in Government" outlined in EO 13960, on *Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government* (Sec. 3). Accordingly, IRS design, development, acquisition, and use of AI must be:

 a)   **Lawful and respectful of the nation's values**, and consistent with the Constitution

and all other applicable laws and policies, including those addressing privacy, civil rights, and civil liberties.

b) **Purposeful and performance-driven**, where the benefits of designing, developing, acquiring, and using AI significantly outweigh the risks, and the risks can be assessed and managed.

c) **Accurate, reliable, and effective**, where the application of AI is consistent with the use cases for which the AI is trained.

d) **Safe, secure, and resilient**, including resilience when confronted with systematic vulnerabilities, adversarial manipulation, and other malicious exploitation.

e) **Understandable**, where operations and outcomes of AI must be sufficiently understandable by subject matter experts, users, and others, as appropriate.

f) **Responsible and traceable**, such that human roles are clearly defined, AI is used in a manner consistent with its intended purpose, and documentation clearly explains the design, development, acquisition, use, and relevant inputs and outputs of the AI.

g) **Regularly monitored and tested** against these principles. Mechanisms should be maintained to supersede, disengage, or deactivate existing applications of AI that demonstrate performance or outcomes that are inconsistent with their intended use or federal requirements.

h) **Transparent** in disclosing relevant information regarding the use of AI to appropriate stakeholders, including Congress and the public.

i) **Accountable**, where appropriate safeguards for the proper use and functioning of AI must be implemented and enforced, and AI must be appropriately monitored and audited to document compliance with those safeguards.

10.24.1.3 (MM-DD-YYYY)
AI Use Case Inventory

(1)   In accordance with EO 13960, Section 5, Agency Inventory of AI Use Cases, the IRS must maintain an inventory of all its AI use cases and comply with government-wide reporting requirements. External reporting will be coordinated through the Department of the Treasury. Certain use cases may be excluded from external reporting, in accordance with Treasury and OMB guidance; however, in general no unclassified use case is excluded from entry in the IRS internal AI use case inventory.

(2)   All IRS business units and program offices are responsible for documenting their uses of AI in the AI use case inventory and following all applicable guidance in this IRM.

a) AI project teams must create entries for new AI use cases once the use case has been initiated—that is, once the need for the use case has been expressed and its intended purpose and high-level requirements are documented. Initiation generally requires approval from a manager or executive, and includes a commitment of IRS resources to the use case (e.g., by allocating IRS funds or employee time). Any use case not entered in the inventory after it has been initiated is out of compliance with this IRM's requirements and should be submitted as soon as possible.

b) Project teams must answer all required inventory questions and provide responses with the clarity and detail necessary to understand the use case.

c) Project teams must also maintain the accuracy and currency of their use case's information in the inventory over time. Project teams must update the inventory record when a change occurs to the use case that meaningfully affects the accuracy of the

current record. Additionally, project teams must review and validate or update the inventory record at least annually or when directed by the CDAO team. Examples of changes requiring an inventory record update include changes to the use case's name, purpose, lifecycle status, risks, or benefits.

Note: # ██

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(3)   The CDAO will oversee the collection and review of the AI use case inventory. The CDAO team will review inventory entries and support project teams in providing necessary clarity and detail.

(4)   The IRS follows guidance from Treasury and OMB regarding what specific information to include in the AI use case inventory and in what format to report and publish the inventory. Guidance from OMB and Treasury may be updated periodically.

Note: IRM 10.8.1.4.13.5, PM-05 System Inventory, contains guidance regarding the IRS AI use case inventory that will be superseded by the guidance in this IRM if the two are in conflict (paragraph 12).

10.24.1.4 (MM-DD-YYYY)
AI Governance

(1)   The IRS governs AI use cases, which are specific business uses of an AI technique. Effective governance, including risk assessment and mitigation, must consider the business context in which AI is being used.

(2)   This IRM provides an interim policy for AI governance while the IRS awaits revised guidance from OMB and Treasury per EO 14179.

(3)   IRS business units and program offices may begin operational use of AI use cases during this interim period upon receiving approval from an appropriate governing body or authorizing official for their business unit or program office. Enterprise-level approval for operational use is not currently required.

(4)   "Operational use" means the AI or its output is being employed or put into service in a way that affects IRS business operations. It does not include preliminary development or use in exploratory or research-only contexts that do not affect IRS business operations.

(5)   AI use cases that begin operational use in this interim period will be subject to any additional requirements in future policy updates. For example, use cases with elevated risk profiles may undergo a post-hoc review and approval for continued use. Any revisions to IRS AI governance policy will align with guidance issued by the President, OMB, and Treasury.

10.24.1.4.1 (MM-DD-YYYY)
AI Use Case Artifacts

(1)   In accordance with Executive Order 13859, on *Maintaining American Leadership in Artificial Intelligence*, Section 5(a), the IRS requires Model Card and Datasheet artifacts

from AI use cases in addition to their entry in the AI use case inventory.

a) **Model Card:** Provides detailed documentation explaining the AI model(s) of a particular AI use case, such as expected inputs and outputs, performance metrics, risks of use, limitations, intended user audience, and points of contact. Project teams should submit one model card per model included in the use case.

b) **Datasheet:** Provides detailed documentation explaining the data used by a particular AI use case, such as its source, size, provenance, sensitivity, intended use, transformation pipelines, and known quality issues. Project teams should submit one datasheet per dataset included in the use case.

Note: # ███
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(2)   In their Model Card and Datasheet artifacts, AI project teams must provide the clarity and detail necessary to understand the use case, the sponsoring business development office and product owner, the intended purpose and benefits, and the identified risks and risk control measures.

(3)   The CDAO will oversee the collection and review of these artifacts. The CDAO team will review the artifacts and support project teams in providing the necessary clarity and detail.

(4)   Project teams must complete and submit these artifacts prior to beginning operational use of an AI use case.

(5)   For use cases in operational use, project teams must update Model Card and Datasheet artifacts when the use case changes in a way that meaningfully affects the accuracy of the current artifacts. Project teams must also review and validate or update these artifacts at least annually or when directed by the CDAO team. Examples of changes that require Model Card and Datasheet updates may include:

a)   Changing the context, scope, or intended purpose of the use case.
b)   Changing the use case's output or impact on IRS operations.
c)   Updating or retraining the underlying AI model(s).
d)   Incorporating new data elements or data sources.

10.24.1.5 (MM-DD-YYYY)
Protection of Taxpayer Rights

(1)   The Internal Revenue Code (IRC) lists specific taxpayer rights which are further explained in The Taxpayer Bill of Rights. See IRC § 7803(a)(3); Publication 1, Your Rights as a Taxpayer; and www.irs.gov/taxpayer-bill-of-rights.

(2)   IRS employees are responsible for being familiar with and acting in accordance with these rights. IRS use of AI must not violate these rights.

10.24.1.6   (MM-DD-YYYY)
Privacy and Security Requirements

(1)   AI use cases must follow all relevant IRS privacy and security policies, such as those set forth in IRM 10.5, Privacy and Information Protection, and IRM 10.8, Information Technology (IT) Security.

(2)   In particular, those developing, procuring, or using AI must follow requirements in these IRM subsections where applicable:

a)   IRM 10.5.1.6, Practical Privacy Policy
b)   IRM 10.5.2.2, Privacy and Civil Liberties Impact Assessment (PCLIA).
     NOTE: For an explanation of civil liberties, see IRM 10.5.2.2.2.1, Civil Liberties.

c)   IRM 10.5.6.3, Privacy Act System of Records Notices (SORNs).
d)   IRM 10.5.6.5, Privacy Act Recordkeeping Restrictions (Civil Liberties Protections).

Exhibit 10.24.1-1 (MM-DD-YYYY)
Terms and Acronyms

Term	Definition
Artificial Intelligence (AI)	In accordance with Executive Order 13960 Section 9(a), the term ''artificial intelligence'' or ''AI'' has the meaning provided in Section 238(g) of the National Defense Authorization Act for Fiscal Year 2019 (NDAA). The NDAA definition states that the term "artificial intelligence" includes the following: 1. Any artificial system that performs tasks under varying and unpredictable circumstances without significant human oversight, or that can learn from experience and improve performance when exposed to data sets. 2. An artificial system developed in computer software, physical hardware, or other context that solves tasks requiring human-like perception, cognition, planning, learning, communication, or physical action. 3. An artificial system designed to think or act like a human, including cognitive architectures and neural networks. 4. A set of techniques, including machine learning, that is designed to approximate a cognitive task. 5. An artificial system designed to act rationally, including an intelligent software agent or embodied robot that achieves goals using perception, planning, reasoning, learning, communicating, decision making, and acting. The IRS will align with future guidance provided by OMB and Treasury in interpreting or updating this definition of AI.
AI Use Case	An AI use case is a specific business use of an AI technique, e.g., to solve a problem or increase operational efficiency. It includes outcomes or impact of the business use. It may use one or more AI models and one or more datasets to achieve its objective(s).
AI Model	An AI model is the specific set of AI methods used to carry out the objective of the use case, e.g., a large language model or a machine learning model.

CDAO	Chief Data and Analytics Officer. Refer to IRM 1.1.18.1, Research, Applied Analytics and Statistics Division, for a detailed description of responsibilities.
EO	Executive Order.
IRC	Internal Revenue Code.
IT	Information Technology.
NDAA	National Defense Authorization Act.
OMB	Office of Management and Budget.
Operational Use	"Operational use" means AI or its output is being employed or put into service in a way that affects IRS business operations. It does not include preliminary development or use in exploratory or research-only contexts that do not affect IRS business operations.
PCLIA	Privacy and Civil Liberties Impact Assessment.
RAAS	Research, Applied Analytics and Statistics.
RAIO	Responsible Artificial Intelligence Official.

Exhibit 10.24.1-2 (MM-DD-YYYY)
Related Resources

Executive Orders

- Executive Order 13859, *Maintaining American Leadership in Artificial Intelligence*
- Executive Order 13960, *Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government*
- Executive Order 14179, *Removing Barriers to American Leadership in Artificial Intelligence*

IRS Publications

- IRM 10.5.1, Privacy Policy
- IRM 10.5.2, Privacy Compliance and Assurance (PCA) Program
- IRM 10.5.6, Privacy Act
- IRM 10.8.1, Security Policy
- IRM 10.8.2, IT Security Roles and Responsibilities
- Publication 1, Your Rights as a Taxpayer