Date of Approval: 10/09/2024 Questionnaire Number: 1528

Basic Information/Executive Summary

What is the name of your project (system, database, pilot, product, survey, social media site, etc.)?

Excise Files Information Retrieval System

Acronym:

ExFIRS

Business Unit

Small Business and Self Employed

Preparer

For Official Use Only

Subject Matter Expert

For Official Use Only

Program Manager

For Official Use Only

Designated Executive Representative

For Official Use Only

Executive Sponsor

For Official Use Only

Executive Summary: Provide a clear and concise description of your project and how it will allow the IRS to achieve its mission.

Excise Files Information Retrieval System (ExFIRS) is a collection of applications used to receive and store data from fuel terminal operators and carriers detailing the receipts and disbursements of liquid products flowing through a taxable fuel storage and distribution center. Its primary sub-application, Excise Summary Terminal Activity Reporting System (ExSTARS), intakes monthly information returns (Form 720-TO, Terminal Operator Report and Form 720-CS, Carrier Summary Report), detailing the movements of fuel, which are required to be filed by business entities specified by Internal Revenue Code (IRC) 4103. External partners, the States and fuel industry, use the Internet-facing component which is accessed via the Common Communications Gateway; this allows fuel industry filers to submit information returns electronically and with 6103 Consent share this fuel industry information with designated States.

Personally Identifiable Information (PII)

Will this project use, collect, receive, display, store, maintain, or disseminate any type of Sensitive but Unclassified (SBU), Personally Identifiable Information (PII), or Federal Tax Information (FTI)?

Yes

Please explain in detail how this project uses sensitive data from inception to destruction (data lifecycle).

ExFIRS tracks the movement of fuel to and from approved terminals by filed monthly reports (Forms 720-TO and 720-CS) [electronically or by paper] reflecting fuel quantity and type as it moves through the distribution chain. This information, including the EIN of the Information Provider [fuel terminal operators, blenders and carriers], is used to predict and analyze quarterly fuel volumes and is compared to the information entered on Form 720, Quarterly Federal Excise Tax return. All significant discrepancies are referred to the IRS's Excise Tax Program for further analysis. The Excise Tax Program will use the results of the analyses to efficiently identify entities that are not in compliance and redirect compliance resources to those entities. Identifying potentially noncompliant entities will help ensure collection of the appropriate excise tax revenue, removing the advantage obtained by those who seek to operate by illegally evading the excise fuel taxes. The information is received directly from third party information providers. All records housed in the ExFIRS system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives approval to administer data disposition. Any records generated and maintained by the system will be managed according to Records Control Schedule (RCS) 23 - Tax Administration - Examination, Item 84 in Document 12990, which publishes the Records Control Schedules of the Internal Revenue Service is available from the Electronic Publishing Catalog.

Please select all types of Sensitive but Unclassified data (SBU)/Personally Identifiable Information (PII)/Federal Tax Information (FTI) that this project uses.

Address

Email Address

Employer Identification Number

Employment Information

Federal Tax Information (FTI)

Geographical Indicators

Internet Protocol Address (IP Address)

Name

Other

Standard Employee Identifier (SEID)

Telephone Numbers

Vehicle Identification Number (VIN)

Please explain the other type(s) of PII that this project uses. Terminal Control Numbers, Facility Control Numbers

Cite the authority for collecting SBU/PII/FTI (including SSN if relevant).

PII for federal tax administration - generally IRC Sections 6001 6011 or 6012

Product Information (Questions)

- 1.1 Is this PCLIA a result of the Inflation Reduction Act (IRA)?
 No
- 1.3 What type of project is this (system, project, application, database, pilot/proof of concept, power platform/visualization tool)?

 Application
- 1.35 Is there a data dictionary for this system? Yes
- 1.36 Explain in detail how PII and SBU data flow into, through and out of this system. Excise Files Information Retrieval System (ExFIRS) is a collection of applications used to receive and store data from fuel terminal operators and carriers detailing the receipts and disbursements of liquid products flowing through a taxable fuel storage and distribution center. Its primary sub-application, Excise Summary Terminal Activity Reporting System (ExSTARS), intakes monthly information returns (Form 720-TO, Terminal Operator Report and Form 720-CS, Carrier Summary Report), detailing the movements of fuel, which are required to be filed by business entities specified by Internal Revenue Code (IRC) 4103. External partners, the States and fuel industry, use the Internet-facing component which is accessed via the Common Communications Gateway; this allows fuel industry filers to submit information returns electronically and with 6103 Consent share this fuel industry information with designated States. ExFIRS has two incoming PII interfaces, the Integrated Production Model and Information Management System. PII is disseminated to Splunk (Audit Trails) and Compliance Data Warehouse (Data Analytics). State agencies have access to ExSTARS to pull PII information related to their state in accordance with their MOU. All records housed in the ExFIRS system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives approval to administer data disposition. Any records generated and maintained by the system will be managed according to Records Control Schedule (RCS) 23 - Tax Administration -Examination, Item 84 in Document 12990, which publishes the Records Control Schedules of the Internal Revenue Service is available from the Electronic Publishing Catalog.

1.4 Is this a new system?

1.5 Is there a Privacy and Civil Liberties Impact Assessment (PCLIA) for this system? Yes

1.6 What is the PCLIA number?
PCLIA #7230 - approved 9/22/2022

1.7 What are the changes and why?

Remove the mention of "Excise Tax Registration Authentication System (EXTRAS) is an automated system for controlling the 637 Registration Program." Outdated language - ExSTARS was removed in 2012, and this one sentence was missed. Removed interfaces ACIS, ERCS, and WebCBRS - interfaces were terminated.

1.8 If the system is on the As-Built-Architecture, what is the ABA ID of the system? If this PCLIA covers multiple applications shown on the ABA, please indicate the ABA ID for each application covered separated by a comma.

210455, 210460

- 1.9 What OneSDLC State is the system in (Allocation, Readiness, Execution)? Execution
- 2.1 If this system discloses any PII to any third party outside the IRS, does the system have a process in place to account for such disclosures in compliance with IRC 6103(p)(3)(A) or Subsection c of the Privacy Act? Contact Disclosure to determine if an accounting is required. Enter "Yes" or "No". If Exempt, type "Exempt".

 Yes

2.2 Please provide the full name of and acronym of the governance board or Executive Steering Committee (ESC) this system reports to.

Excise Files Information Retrieval System (ExFIRS) reports to the Data Delivery Services (DDS) Governance Board and has its own Configuration Control Board (CCB). The ExFIRS CCB evaluates, reviews, votes on and ranks proposed changes to ExFIRS and related sub-applications (such as Excise Summary Terminal Activity Reporting System (ExSTARS)) and their impact to business processes.

3.1 Does your project/system involve any use of artificial intelligence (AI), including virtual assistant, chat bot, and robotic process automation, as defined in Executive Order 13960?

No

3.3 Does this system use cloud computing?

- 3.6 Does this system interact with the public through a web interface? Yes
- 3.61 If the system requires the user to authenticate, was a Digital Identity Risk Assessment (DIRA) conducted?

Yes

- 3.62 Please upload the approved DIRA report using the Attachments button. DIRA Documents have been attached.
- 3.64 If the individual was not notified of the following items prior to the collection of information, why not? 1) Authority to collect the information 2) If the collection is mandatory or voluntary 3) The purpose for which their information will be used 4) Who the information will be shared with 5) The effects, if any, if they don't provide the requested information.

The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice which provides the legal right to ask for information under Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. Under these sections, response is mandatory. Code section 6109 requires the inclusion of an identifying number for the purpose of securing proper identification.

3.65 If information is collected from third-party sources instead of the individual, please explain your decision.

The information is received directly from third party information providers. These third-party information providers are deemed reliable and accurate. The information is not altered in any way. Qualification testing is mandatory for Information Providers.

3.7 Describe the business process allowing an individual to access or correct their information.

The information is received directly from third party information providers. These third-party information providers are deemed reliable and accurate. The information is not altered in any way. Qualification testing is mandatory for Information Providers. IRS has established a qualification process that exchanges test and feedback files that are processed by the IRS prior to submitting production files of electronic Form 720-TO and 720-CS information reports. To ensure the quality of the information obtained, the IRS will subject the information received to a set of tests. In addition to qualification for new participants, existing participants should contact IRS Excise in the event of a change of terminals in their Letter of Application (LOA), Electronic Data

Interchange (EDI) map version changes, new software implementations, or other EDI-related changes to conduct requalification in support of these changes. The IRS acknowledges the receipt of every electronic information report by the transmission of two acknowledgment (ACK) files: 1) Transmission ACK (997) file and 2) Validation (151) ACK file. The TS-997 ACK file is created every time an Information Provider or Approved Excise Third Party Transmitter submission is successfully transmitted and should be retained by the Information Provider as evidence that the information report(s) has been filed timely provided no TS-151 Level I Error transaction is received. This ACK notifies the Electronic Participant that their electronic report was received and accepted or rejected. Note: The ACK file is looking at the American National Standards Institute (ANSI) structure or layout of the file, not for errors associated with the data, and, accordingly, there are no math or data validations performed on the information report. The validation ACK file is the ANSI Transaction Set 151 (TS-151)-known as the Electronic Filing of Tax Report Data Acknowledgment. The TS-151 ACK file is created each time an Electronic Participant receives a TS-997 indicating that their electronic report was received and accepted. The TS-151 ACK file will be generated whether data errors exist on the transmitted file. The Electronic Participant will not receive a TS-151 if they receive a TS-997R (rejection). In the case of out of balance reports, duplicate sequence numbers or previous months errors that have not be resolved, a TS-997A (accepted) will be followed by a TS-151 Level 1 error indicating file rejection. For Level 1 errors, the transaction set will be immediately rejected.

4.1 Who owns and operates the system (IRS Owned and Operated, IRS Owned and Contractor Operated, Contractor Owned and Operated)?

IRS Owned and Contractor Operated

- 4.2 If a contractor owns or operates the system, does the contractor use subcontractors?
- 4.5 Identify the roles and their access level to the PII data. For contractors, indicate whether their background investigation is complete or not.

IRS Employees - Users (read and write), Managers (read and write), System Administrators (Administrator).

Contractor Users (read and write), Contractor Developers (read and write), Background Investigation High Complete

- 4.51 How many records in the system are attributable to IRS Employees? Enter "Under 50,000", "50,000 to 100,000", "More than 100,000" or "Not Applicable".

 Under 50,000
- 4.52 How many records in the system are attributable to contractors? Enter "Under 5,000", "5,000 to 10,000", "More than 10,000" or "Not Applicable".

 Under 5,000

4.53 How many records in the system are attributable to members of the public? Enter "Under 5,000", "5,000 to 10,000", "More than 10,000" or "Not applicable".

More than 10,000

4.6 How is access to SBU/PII determined and by whom?

Access to the (ExFIRS) is requested via Business Entitlement Access Request System (BEARS). Data access is granted on a need-to-know basis. The BEARS enrollment process requires that an authorized manager approve access requests on a case-by-case basis. Access approval is based on the Users role(s) and responsibilities. Users are given the minimum set of privileges required to perform their regular and recurring work assignments; they are restricted from changing the boundaries of their access without management approval. Write, Modify, Delete, and/or Print) are defined on BEARS and set (activated) by the System Administrator prior to the user being allowed access. User privileges and user roles determine the types of data that each user has access to. Management monitors system access and removes permissions when individuals no longer require access.

5.1 Please describe any privacy risks, civil liberties and/or security risks identified for the system that need to be resolved and what is the mitigation plan?

ExSTARS does not Use Single Sign On (PIV) for internal Users and does not confirm Third Party Data (Financial Records) for External Users. IRS Proposed solution Secure Access Digital Identity (SADI) would require complete re-design of ExSTARS application. Resources available under O&M contract do not allow for remediation of vulnerabilities. Risk is being tracked through the DIRA process.

5.11 Is there a Risk Assessment Form and Tool (RAFT) associated with this system on file with your organization or the IRS Risk Office.

Yes

5.2 Does this system use or plan to use SBU data in a non-production environment?

Interfaces

Interface Type

State Agencies
Agency Name
Ohio Department of Taxation
Incoming/Outgoing
Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

New Mexico Taxation and Revenue Department

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Wyoming Department of Transportation, Fuel Tax Division

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Texas Comptroller of Public Accounts

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

IRS Systems, file, or database

Agency Name

Issue Management System (IMS)

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Electronic File Transfer Utility (EFTU)

Interface Type

State Agencies

Agency Name

Kansas Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

Forms

Agency Name

720-TO

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Other

Other Transfer Method

Third Party Transmitters EDI Process

Interface Type

Forms

Agency Name

720-CS

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Other

Other Transfer Method

Third Party Transmitters EDI Process

Interface Type

State Agencies

Agency Name

Massachusetts Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

New Jersey Division of Taxation

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Rhode Island Division of Taxation

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Georgia Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Alabama Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

California Department of Tax and Fee Administration

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Indiana Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

New Hampshire Department of Safety

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Illinois Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Arkansas Department of Finance and Administration

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

IRS Systems, file, or database

Agency Name

Integrated Production Model (IPM)

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Other

Other Transfer Method

Informatica ETL Process

Interface Type

State Agencies

Agency Name

Louisiana Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Pennsylvania Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Missouri Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

New York State Department of Taxation and Finance

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Colorado Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Kentucky Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

IRS Systems, file, or database

Agency Name

Splunk

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Other

Other Transfer Method

Server-side audit application - Splunk Universal Forwarder (or Splunk UF)

Interface Type

State Agencies

Agency Name

Wisconsin Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Nebraska Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

North Carolina Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Mississippi Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Comptroller of Maryland

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

Other Organization

Agency Name

Taxpayers

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

IRS Systems, file, or database

Agency Name

Big Data Analytics

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Other

Other Transfer Method

Informatica ETL Process

Interface Type

State Agencies

Agency Name

Arizona Department of Transportation

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Tennessee Department of Revenue

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Interface Type

State Agencies

Agency Name

Idaho State Tax Commission

Incoming/Outgoing

Outgoing (Sending)

Transfer Method

Secured channel via HTTPS

Systems of Records Notices (SORNs)

SORN Number & Name

IRS 42.002 - Excise Compliance Programs

Describe the IRS use and relevance of this SORN.

Information collected in this system is used to support Excise Compliance Programs.

SORN Number & Name

IRS 34.037 - Audit Trail and Security Records

Describe the IRS use and relevance of this SORN.

System interfaces with Splunk to collect audit trail information.

SORN Number & Name

IRS 22.062 - Electronic Filing Records

Describe the IRS use and relevance of this SORN.

System collects information electronically for forms 720-TO and 720-CS through third party transmitters EDI process.

SORN Number & Name

IRS 22.060 - Automated Non-Master File

Describe the IRS use and relevance of this SORN.

System collects PII that is not covered by normal master file.

Records Retention

What is the Record Schedule System?
Record Control Schedule (RCS)

What is the retention series title?

Tax Administration - Examination

What is the GRS/RCS Item Number?

23, item 84

What type of Records is this for?

Both (Paper and Electronic)

Please provide a brief description of the chosen GRS or RCS item.

Excise Records. Excise employs two business-specific automated systems to assist in managing and meeting program goals. Excise Files Information Retrieval System (ExFIRS) and the Joint Operations Center for National Fuel Tax Compliance (JOC).

What is the disposition schedule?

6 years after end of processing year.