

Date of Approval: 04/19/2025
Questionnaire Number: 2119

Basic Information/Executive Summary

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

Joint Enterprise Tax Calculator Service (JETCS) File Your Taxes (FYT) SaaS

Business Unit

Information Technology

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.

The Joint Enterprise Tax Calculator System (JETCS) is an advanced platform developed to enhance the IRS's capability in processing and managing complex tax calculations. The system integrates and orchestrates tax calculation functions across various IRS domains, including intake, compliance, and case management, by leveraging modernized data sources and sophisticated Application Programming Interfaces (APIs). The primary reason for JETCS is to streamline and automate tax liability computations, including calculations for penalties and interest, to improve accuracy, efficiency, and compliance within the IRS. By providing precise and timely tax calculations, JETCS supports the IRS's strategic goals of empowering taxpayers, safeguarding the integrity of the tax system, and advancing data usability and analytics. The system facilitates the seamless handling of tax return data, adjustments, and penalty assessments, thereby reducing technical debt and operational complexity. The benefits to the IRS include increased agility in processing tax returns, enhanced accuracy in penalty and interest calculations, and a more effective approach to managing taxpayer

compliance. The information generated by JETCS is used to make informed decisions on tax liabilities, assess and enforce penalties, and calculate interest, ultimately contributing to a more efficient, secure, and reliable tax administration. File Your Taxes (FYT) is a Software as a service (SaaS) outside of the IRS environment that provides a tax calculator service to the IRS through the JETCS program. JETCS aims to establish open, common services for the IRS, enabling seamless orchestration and integration to deliver complex tax calculations across a diverse IRS IT ecosystem in support of multiple domains (intake, compliance, case management, etc.), programs and platforms (Pega Systems, Salesforce, etc.). JETCS will support key milestones under IRA, ultimately transforming the IRS's tax calculation processes with its integration of externally available tax calculators. FYT, is an external calculation engine which will perform the necessary tax calculations only, all PII is stripped before the data is transmitted from JETCS system ensuring that only sanitized and calculation relevant data flows through the system while maintaining strict privacy compliance. The FYT calculator will be used to perform tax calculations and therefore receives Federal Tax Information (FTI) which is Adjusted Gross Income (AGI) only to perform the necessary tax calculations. The FYT calculator does not store AGI data permanently. Instead, it retrieves AGI for calculations, processes the required tax computations, and then securely transmits the results, including AGI-based calculations, back to the JETCS. This approach ensures data privacy and compliance, as the AGI is only used temporarily during the calculation process without long-term storage.

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).

The FYT SaaS, is an external calculation engine which will perform the necessary tax calculations only, all PII is stripped before the data is transmitted from JETCS system ensuring that only sanitized and calculation relevant data flows through the system while maintaining strict privacy compliance. The FYT SaaS will be used to perform tax calculations and therefore receives FTI which is Adjusted Gross Income (AGI) only to perform the necessary tax calculations. FYT does not store AGI data permanently. Instead, it retrieves AGI for calculations, processes the required tax computations, and then securely transmits the results, including AGI-based calculations, back to the JETCS. This approach ensures data privacy and compliance, as the AGI is only used temporarily during the calculation process without long-term storage. In addition, audit logs that will be sent from

Splunk to the Enterprise Security Audit Trails (ESAT) team which will include API activities which will capture date, time, source address (IP address) and endpoint activity.

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

Federal Tax Information (FTI)
Internet Protocol Address (IP Address)

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 Is this PCLIA a result of the Inflation Reduction Act (IRA)?

Yes

1.1 What is the IRA Initiative Number?

4

2 What type of project is this (system, project, application, database, pilot/proof of concept/prototype, power platform/visualization tool)?

Application

3 What Tier designation has been applied to your system?

2

4 Is this a new system?

Yes

5 Is this system considered a child system/application to another (parent) system?

No

6 Indicate what OneSDLC State is the system in (Allocation, Readiness, Execution) or indicate if you go through Information Technology's (IT) Technical Insertion Process and what stage you have progressed to.

Information Technology's (IT) Technical Insertion Process - we are in the cyber review stage.

7 Is this a change resulting from the OneSDLC process?

No

8 Please provide the full name and acronym of the governance board or Executive Steering Committee (ESC) this system reports to.
Compliance Domain Governance Board

10 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?
No

11 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 and 14110?
No

12 Does this system use cloud computing?
Yes

12.1 Please identify the Cloud Service Provider (CSP), FedRAMP Package ID, and date of FedRAMP authorization.

FYT is a non-FedRAMP authorized SaaS. FYT will obtain an ATO through IRS and will proceed to obtain an agency sponsorship for FedRAMP authorization. Per Cyber, an exception email for approval from the CTO is in process.

12.2 Does the CSP allow auditing?
Yes

12.21 Who has access to the CSP audit data (IRS or 3rd party)?
IRS - Splunk ESAT logs

12.3 Please indicate the background check level required for the CSP (None, Low, Moderate or High).
Moderate

13 Does this system/application interact with the public?
No

14 Describe the business process allowing an individual to access or correct their information. (Due Process)

Within the Enterprise Case Management Tool (ECM), the examiner will be able to enter tax form data and send a request to the calculator to perform the calculation. The examiner would obtain the results through an API. If they need to change a specific field, they can change it in ECM and send a calculation request again. Correcting the information is simply, updating a field within ECM and requesting the calculation to be performed again.

15 Is this system owned and/or operated by a contractor?

Yes

16 Identify what role(s) the IRS and/or the contractor(s) performs; indicate what access level (to this system's PII data) each role is entitled to. (Include details about completion status and level of access of the contractor's background investigation was approved for.)

The examiner within the Enterprise Case Management (ECM) tool will be able to call the FYT SaaS calculator via an API call. The calculator is accessed through APIs. There is no user interface, and the user will not be able to change anything, essentially have read-only access for the result of the calculation.

17 The Privacy Act of 1974 (5 USC § 552a(e)(3)) requires each agency that maintains a system of records, to inform each individual requested to supply information about himself or herself. Please provide the Privacy Act Statement presented by your system or indicate a Privacy Act Statement is not used and individuals are not given the opportunity to consent to the collection of their PII.

The application does not maintain a system of records with individual information. The interface to this application is through API only.

18 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".

Not applicable

19 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".

Not applicable

20 How many records in the system are attributable to members of the public? Enter "Under 100,000", "100,000 to 1,000,000", "More than 1,000,000" or "Not applicable".

Under 100,000

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

There is no access to PII since there is no user interface.

23 Is there a data dictionary on file for this system? Note: Selecting "Yes" indicates an upload to the Attachment Section is required.

Yes

24 Explain any privacy and civil liberties risks related to privacy controls.

The risk here is that JETCS will be sending FTI (Adjusted Gross Income) to the FYT SaaS is not FedRAMP authorized, yet. The FYT SaaS will have a RAFT in place to ensure appropriate risk and mitigation steps are documented. The team is also obtaining CTO approval for agency sponsorship of FedRAMP authorization. Per cyber guidance, IRS will ATO FYT SaaS after a full agency assessment is

complete. The process from cyber has changed for non-FedRAMP authorized SaaS in that they do not require a RAFT but do require an email approval from the CTO for agency sponsorship.

25 Please upload all privacy risk finding documents identified for the system (Audit trail, RAFT, POA&M, Breach Plan, etc.); click "yes" to confirm upload(s) are complete.
Yes

26 Describe this system's audit trail in detail. Provide supporting documents.
The audit logs design pattern follows the approved connection pattern governed by the ESAT guidance document. Therefore, the connection follows this flow pattern from FYT SaaS that will send audit trail data to ESAT hosted on IRS Splunk solution on the Treasury cloud AWS. The data includes date, time, IP address, and event activities and its API endpoint activities (methods such as GET, POST, etc.).

27 Does this system use or plan to use SBU data in a non-production environment?
No

Interfaces

Interface Type

IRS or Treasury Contractor

Agency Name

File Your Taxes (FYT)

Incoming/Outgoing

Both

Transfer Method

Other

Other Transfer Method

Application Programming Interface (API)

Systems of Records Notices (SORNs)

SORN Number & Name

IRS 34.037 - Audit Trail and Security Records

Describe the IRS use and relevance of this SORN.

ESAT Splunk Logs

Records Retention

What is the Record Schedule System?

Non-Record

Data Locations

What type of site is this?

System

What is the name of the System?

JETCS

What is the sensitivity of the System?

Federal Tax Information (FTI)

Please provide a brief description of the System.

The Joint Enterprise Tax Calculator System (JETCS) is an advanced platform developed to enhance the IRS's capability in processing and managing complex tax calculations. The system integrates and orchestrates tax calculation functions across various IRS domains, including intake, compliance, and case management, by leveraging modernized data sources and sophisticated APIs. The primary reason for JETCS is to streamline and automate tax liability computations, including calculations for penalties and interest, to improve accuracy, efficiency, and compliance within the IRS.

What are the incoming connections to this System?

The JETCS dataset will include adjusted gross income (AGI) during a stateful connection between Enterprise Case Management (ECM) and Joint Integration Orchestration Services (JIOS) and its integration with FYT (SaaS) tax calculator. The JETCS system does not communicate directly with taxpayers or employers. JETCS receives tax return information through an ECM request for a tax calculation and JETCS provides a tax calculation response for that request.

What are the outgoing connections from this System?

The business logic remains in JETCS, while the tax calculation is provided by FYT SaaS. A fake Taxpayer Identification Number (TIN) is sent to the FYT SaaS, and no other data is sent in the payload for identification purposes, only for calculation purposes. The FTI data that is sent is adjusted gross income (AGI).

What type of site is this?

System

What is the name of the System?

Splunk

Please provide a brief description of the System.

Splunk logs are centralized data location within the Splunk platform where machine-generated logs, events, and metrics from various sources (e.g., servers, apps, devices) are collected, indexed, and stored for searching and analysis.

What are the incoming connections to this System?

File Your Taxes (FYT) will send logs to Splunk by establishing incoming network connections via an API forwarder or API to the IRS Splunk instance, where the logs are stored as a centralized data location for monitoring or analysis.