

Department of the Treasury  
Internal Revenue Service

FY 2022

Capital Investment Plan

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**Note to reviewers:** This report includes supplemental funding from the Families First Coronavirus Response Act, Coronavirus Aid Relief and Economic Security Act, Division N of the Consolidated Appropriations Act, 2021, and the American Rescue Plan.

# Major IT Investments

## Account Management Services (AMS)

### Description:

AMS is a major strategic investment that delivers improved customer service to over 34,000 end-users by providing the tools necessary to access tax information quickly and accurately.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	13.38	11.99	12.45	0.45	3.77%
Total Obligations	13.38	11.99	12.45	0.45	3.77%

### Purpose, Accomplishments, Future Objectives:

AMS is a strategic program that delivers improved customer support for managing taxpayer accounts for over 34,000 end-users across:

- 7 Small Business/Self Employed (SBSE) business units
- 4 Wage and Investment (W&I) business units
- 1 Large Business and International (LB&I) business unit
- Criminal Investigation (CI)
- Tax Exempt and Government Entities (TEGE) by leveraging existing Internal Revenue Service (IRS) applications.

AMS consolidates information from multiple IRS systems into a single user interface, allowing IRS employees the ability to access, research and update taxpayer accounts quickly. AMS provides data presentation services to display and validate changes/updates for taxpayer accounts, facilitates management actions/activities, and makes case information readily available for decision making and reporting. In addition, AMS provides end users with the ability to work specific case workstreams, through nine case management and referral inventories.

FY 2021 Accomplishments:

- Implemented changes for the 2021 Annual Allowable Living Expenses (ALE). The ALE standards help determine a taxpayer’s ability to pay a delinquent tax liability.
- Made corrections to the Recovery Rebate Credit worksheet as well as worksheets for Form 2210 and Form 2210 Schedule AI annual updates. Additionally, bug-fix incorporated for e911 (Taxpayer Advocate Referral) and update to Financial Statement for business rule change to Public subsidy field population.
- Upgraded User Interface (UI) Struts 1 to Spring model-view-controller (MVC).
- Made changes to ACA Tools, Checklists, e4442, Taxpayer Assistance Center (TAC), Tax Return Data, and worksheets related to annual updates.
- Implemented the SB/SE Collection solution for scanning Installment Agreements from Ephesoft to SharePoint.

FY 2021-2022 Goals/Objectives:

- To continue to deliver UI upgrades and migration.
- To review the possibility of adding Correspondence Imaging Inventories (CII) for business units (other than W&I) that will allow for flexibility in working taxpayer correspondence digitally.
- To migrate from utilizing OL5081 for AMS access to the BEARS system which requires coding changes.
- Implement Data at Rest Encryption (DARE) for AMS & Commercial off the Shelf (COTS) software databases.

## Affordable Care Act Administration

### Description:

The Affordable Care Act (ACA) investment encompasses the planning, development, and implementation of IT systems needed to support IRS' tax administration responsibilities associated with key provisions of the ACA legislation.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	103.13	67.68	68.62	0.94	1.39%
Total Obligations	103.13	67.68	68.62	0.94	1.39%

**Purpose, Accomplishments, Future Objectives:**

The ACA Administration investment supports IRS tax administration responsibilities associated with the key provisions of the ACA legislation. Including Releases 1.0 through 7.1:

- Supporting the implementation of new taxes, credits, and fees, such as the Small Business Health Care Tax Credit, Branded Prescription Drug Industry Fee, Excise Tax on Medical Device Manufacturers, Hospital Insurance Tax, and Insurance Provider Fee.
- Providing the technical solution to support Health Insurance Marketplace open enrollment in the fall of 2013 and thereafter on an annual basis, along with IRS pre-filing and post-filing compliance activities.
- Expanding information return processing and capabilities needed for compliance processing.

FY 2021-2022 Goals/Objectives:

IRS will focus on operations and maintenance of the systems in ACA 1.0 through 7.1 in the Current Production Environment (CPE) to support annual Filing Seasons and Open Enrollments and CPE updates to existing non-ACA systems that support ACA.

**Customer Account Data Engine 2 (CADE 2)**

**Description:**

CADE 2 is IRS's modernized core tax processing system. It leverages modern-day database technology, programming languages and principles to determine refunds, penalty & interest, monitor compliance, and track historical data about individual taxpayer accounts. CADE 2 implements a data-centric solution which provides daily processing of taxpayer accounts.

**Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	97.45	125.40	247.24	121.84	97.16%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	16.96	17.42	22.43	5.01	28.74%
Total Obligations	114.41	142.82	269.67	126.85	88.82%

**Purpose, Accomplishments, Future Objectives:**

CADE 2 implements a single, data-centric solution to provide daily processing of taxpayer accounts, address Financial Material Weaknesses (FMW) (downgraded to a Significant Deficiencies (SD) in 2018) and maintain IRS's clean audit opinion. CADE 2 was chartered in 2009 to provide 21st century technology and digital services to the taxpayer and to IRS employees. The CADE 2 solution includes an authoritative database for individual taxpayer data that is transforming the way the IRS approaches tax administration. In addition, CADE 2 is improving the rates by which we process data by reducing the latency associated with antiquated technology. CADE 2 goals are to 1) establish one authoritative source

for taxpayer data by leveraging a relational database and daily processing capability; 2) continue IT modernization efforts so business processes can be realigned to enable better taxpayer service and more timely compliance; 3) address the Unpaid Assessments SD, demonstrate compliance with Federal Financial Management System Requirements, maintain a clean audit opinion; and 4) improve security and privacy posture. CADE 2 is progressing through the largest, most critical part of the program, Transition State (TS2). Two initial goals of TS2 (establishing the CADE 2 database as the authoritative data source for financial and legal purposes and addressing the Unpaid Assessments SD) were moved to the Target State due to 2017 program planning decisions and budget prioritization. All available resources are now directed to the most critical goal of reengineering the Individual Master File (IMF) core components, which is prioritized due to its complexity and reliance on dwindling subject matter experts. In the Target State environment, the current individual taxpayer account system core components will be retired. Completing CADE 2 is not synonymous with "retiring IMF" - future capabilities will enable visibility and access to taxpayer account detail on a near real-time basis for internal and external consumers of individual taxpayer data.

Transition State 1 (TS1) and TS1.5 built and initialized the CADE 2 database in production. In doing so, the IRS accelerated the return processing cycle from weekly to daily and moved the management of individual taxpayer account data from 1960s sequential flat-files to state-of-the-art relational database technology. This accomplishment was the first key technological advancement of the program and was implemented by updating individual tax accounts daily. CADE leverages relational formats dictated by a data model that maintains historical values never before retained on account transactions, with instant viewing of taxpayer account data by IRS customer service. TS1 delivers faster refunds and notices, faster payment postings, and improved service for taxpayers. CADE 2 is progressing through TS2. Starting in FY 2018, CADE 2 resources focused on reengineering the IMF's core components (IMF Runs 12 and 15)

through delivery of the Individual Tax Processing Engine (ITPE) project. The project has converted over 61 percent of the legacy code for ITPE (as of June 30, 2021). Additionally, TIGTA recently completed an audit on ITPE which provided no recommendations. Key accomplishments in TS2 include: (1) implemented common code across IRS systems to enable consistent and accurate Penalty and Interest calculations on financial statements and (2) deployed database conversion capability allowing IRS to retain expanded taxpayer history for approximately two billion taxpayer records, improving service and enhancing compliance.

FY 2021-2022 Goals/Objectives:

The IRS IT Modernization Plan sets goals for modernization efforts and will be updated periodically to reflect progress. FY 2020, FY 2021, and FY 2022 milestone targets have been established based on a refined development velocity model, which reflects updated productivity projections. IRS will complete the modernization of core tax processing through ITPE (69 percent by the end of FY 2021 and 92 percent by the end of FY 2022) and has also developed a Target State Plan which provides an overview of the third and final transition state which aligns with the IRS future state vision reflected in the IRS IT Modernization Plan. Target state goals include enhancing the taxpayer experience by feeding up-to-date data to public-facing applications, empowering the IRS workforce by providing data to enhance data analytics capabilities, and making data available for downstream consumption.

## e-A3 (Authentication, Authorization, Access)

### **Description:**

e-Authentication, Authorization & Access (eA3) is an enterprise solution, serving as the front door for IRS and is available for all taxpayer facing applications. eA3 enables Secure Access Digital Identity (SADI), Authentication, and Authorization (AZ) for registration and online access to critical Taxpayer facing resources. eA3 protects taxpayer data from cyber-attacks and fraud by identity proofing and authenticating online users. It supports the IRS Strategic Plan objectives to empower and enable all taxpayers, drives increased agility, efficiency, effectiveness, and security. It allows collaboration with external partners, advances data accessibility, usability, and analytics.

### **Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	49.15	88.98	26.36	-62.62	-70.37%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	27.52	24.72	33.34	8.61	34.84%
Total Obligations	76.67	113.70	59.70	-54.00	-47.49%

### **Purpose, Accomplishments, Future Objectives:**

eA3 is currently working on three projects SADI, Essar, AZ Framework.

**SADI** is developing a National Institute of Standards and Technology (NIST) 800-63-3 compliant solution to replace Secure Access Authentication (eAuth) NIST 800-63-2 and will continue to integrate taxpayer facing applications, deploy a modernized infrastructure, employ Federation, work towards integrating Omni-Channel support, deploy advanced fraud detection and prevention and automate incident response. SADI is supporting the American Rescue Plan (ARP) Act Legislation by protecting the Child Tax Credit Update Portal (CTCUP) Application for its initial release and future releases of additional functionality and integration with the Online Account (OLA) portal. SADI is also deploying functionality to support advanced fraud analysis in partnership with Cybersecurity to strengthen protection against fraud for the CTCUP application.

FY2020/2021 Accomplishments – Infrastructure build out and performance tuning. Security and privacy assessments approved. Initial MVP release with Child Tax Credit Update Portal (CTCUP). Successfully federated with an external Credential Service Providers (CSP) to expand taxpayer coverage.

FY2021/2022 Goals/Objectives – Standardize Application Integration to all applications to seamlessly integrate with Secure Access. Integrate the Online Account (OLA) Portal application to support CTCUP. Integrate with eServices and prepare for integration with the remaining applications currently protected by eAuth. Modernize Secure Access to expand fraud detection, collect user metrics and improve operations monitoring. Deliver the SADI Modernized Secure Access Infrastructure to support on demand features, robust monitoring, data analytics and scaling technology to increase system availability by leveraging Cloud technologies. Develop plan to Integrate Omni-Channel support to link non-digital methods of identity proofing and authentication.



**Authorization (AZ)** provides common enterprise authorization services through the AZ Framework and Electronic Signature Storage and Retrieval (ESSAR) functionality.

**Electronic Signature Storage and Retrieval (ESSAR)** -ESSAR is a single component of the IRS's electronic signature solution. The ESSAR roadmap includes migration to the Web Services cloud, additional client application integration, and the incorporation of back end monitoring. ESSAR will continue to add client applications as additional IRS forms go online. ESSAR Electronic Signature Minimal Viable Product (MVP), a single component in this solution, will provide the client application the ability to store and retrieve an electronic signature that meets the Internal Revenue Manual (IRM) 10.10.1, Identity Assurance, IRS Electronic Signature (e-Signature) Program standards. ESSAR will support TFA Section 2302 Electronic Signature by integrating with Tax Pro MVP, allowing Tax Pro MVP to store and retrieve web-based (click wrap) electronic signatures. The roadmap provides for supporting additional client applications, increasing performance, and enhanced security and access controls.

FY2020/2021 Accomplishments - Accomplished service development and testing for the ESSAR Electronic Signature Minimal Viable Product (MVP). Deployed to production on December 6, 2020 to support Tax Pro integration testing in support of Taxpayer First Act provision 2302. Develop requirements for an Enterprise solution for Electronic Signatures with IRS Business stakeholders. Incorporate automated testing, and the Deployment and Release Integration and Visibility Engine (DRIVE) technology for deployments.

FY2021/2022 Goals/objectives – Modernization to include containers and cloud. Explore technical solutions to deliver Electronic Signature. Integrate with Income Verification Express Service (IVES).

**AZ Framework** - AZ Framework provides authorization checks for accessing applications and taxpayer records by validating the user's authorization to access data. AZ Framework is providing enhancements, client application integration, and operations and maintenance, while continuing to add new client applications and support additional data sources. AZ Framework will provide the authorization checks for tax professionals when attempting to access taxpayer records.

FY2020/2021 Accomplishments - Transitioned ownership from Enterprise Services to Application Development. Development enhancements and completed integration with eServices Terms of Service (TOS).

FY2021/2022 Goals/objectives - AZ Framework will support SADI and eServices with the redesign of the e-Authentication personalities. It will provide the authorization check for e-Services Terms of Service application and is currently scheduled to support Taxpayer First Act (TFA) Section 2201 Income Verification Express Service (IVES), by providing the authorization checks. Connect to the Central Authorization File database to allow for finer authorization checks. Will provide authorization policy development for Federal Contractor Tax Check System (FCTCS).

## **e-Services (e-SVS)**

### **Description:**

E-Services is a suite of web-based, self-assisted services that consists of two parallel multi-tiered access portals, one for registered third-party users and one for IRS employees. The Internal Revenue Service has

reinforced the importance of leveraging the indirect channel of third-party relationships to meet its strategic goals of service to all taxpayers, and productivity.

**Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	2.61	1.00	-1.61	-61.68%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	10.01	8.59	8.85	0.26	3.07%
Total Obligations	10.01	11.20	9.85	-1.35	-12.02%

**Purpose, Accomplishments, Future Objectives:**

FY 2021 Goals/Objectives:

- Deliver FY 2021 Operations and Maintenance changes for e-Services.
- Deliver Transcript Delivery System (TDS) Late Legislative and Wage & Investment 2021 updates.
- Deliver updates that align with the Taxpayer First Act for e-Services applications.

FY 2022 Goals/Objectives:

- Deliver FY 2022 Operations and Maintenance changes for e-Services.
- Deliver Transcript Delivery System (TDS) Late Legislative and Wage & Investment 2022 Updates.
- Deliver Form-Based Processing (FBP), Application to Application/Application Programming Interface (A2A API), Web User Interface (WebUI), Transcript Delivery System/Transcript Delivery System Application Programming Interface (TDS/TDS API), and External Systems Access Management/Taxpayer First Act/Income Verification Express Service (ESAM TFA IVES) upgrades in conformance with the TFA IVES Integrated Master Schedule for e-Services.

**Enterprise Case Management (ECM)**

**Description:**

Enterprise Case Management (ECM) will address the need to modernize, upgrade, and consolidate many current IRS case management solutions. ECM will provide an enterprise solution for performing case management functions utilizing a common infrastructure platform, thus reducing long-term costs. Today, the current systems provide limited visibility into case management practices between programs, introduce process redundancies, and require multiple handoffs that can lead to bottlenecks and increased risk. The case management functions will be developed as common services for multiple systems to share. Implementation of the solution will provide a consistent approach to case management across business units.

## **Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	63.14	72.43	98.73	26.30	36.32%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	63.14	72.43	98.73	26.30	36.32%

## **Purpose, Accomplishments, Future Objectives:**

Enterprise Case Management (ECM) provides an enterprise solution for performing case management functions using a Commercial Off the Shelf (COTS) platform and common services to improve customer service, automate manual processes, increase efficiencies and simplify case management systems operations. ECM helps drive modernization efforts across the IRS, leading to increased business and IT efficiencies and improved customer service while eventually enabling the retirement of legacy case management systems.

In early 2017, the program defined and launched a product assessment and acquisition strategy to identify and evaluate products/solutions to meet IRS business and technical needs. The IRS published the final Request for Quote (RFQ) in May 2018, evaluated responses over the summer, and issued awards to begin execution of the ECM Physical Assessment and Analysis (EPAA) with two selected vendors in November 2018. The EPAA included challenge-based scenarios completed by vendors over several months to ensure that their products can meet all mandatory minimum requirements and function well in the IRS IT environment. The IRS selected a solution in August 2019; however, a GAO protest by the non-selected vendor and subsequent corrective actions delayed the acquisition until April 2020, when Pega was selected as the ECM platform for the IRS. The IRS started work on ECM Release 1 in October 2018, focusing on product-agnostic work until the vendor selection was finalized.

Release 1, delivered in December 2020, provides IT and Business foundational capabilities as well as case management capabilities for the Tax Exempt/Government Entity (TE/GE) Exempt Organization Customer Service group. ECM is using the Scaled Agile Framework (SAFe) model of software development to deliver functionality to end users in an incremental and collaborative manner. The program delivered Release 2 in May 2021; this release focuses on capabilities and data connections to enable multiple processes in the ECM backlog. In addition to the April 2021 delivery of W&I Grants, this work includes architecture and elaboration work for SB/SE Offer in Compromise and Office of Professional Responsibility business processes. Additionally, the ECM program utilized an expedited delivery pilot mechanism to develop a high-fidelity prototype for the Equity Diversity and Inclusion (EDI) Anti-Harassment and Sexual Harassment business process that will be used by the development teams in future program increments. Subsequent releases will deliver case management capabilities to a widening circle of business units across the IRS. The ECM Initiative developed a sequencing strategy and release plan structure to support the delivery of future ECM releases for FY 2021 and beyond. It is also developing a multi-year roadmap to map the prioritized business processes and their associated dependencies to the release plan structure. A decommissioning strategy and model are also under development to prioritize and enable the legacy case management systems, components, and tools.

The IRS envisions modernizing and standardizing enterprise-wide case management processes and systems to provide top quality service to taxpayers. ECM will empower employees to rapidly resolve cases in a simplified technical environment, designed to drive efficiency and collaboration. By the end of

FY 2022, the ECM Program should be on a self-sustaining path towards achieving organizational transformation:

- ECM’s target platform and core capabilities are in use for case management, with most major business organizations having an operational footprint on the target platform and demonstrating value to the taxpayer.
- ECM adoption and evolution continues as part of the normal course of IRS business, enabling incremental retirement of legacy case management components.

## Foreign Account Tax Compliance Act (FATCA)

### Description:

FATCA requires foreign financial institutions to report to the IRS information about financial accounts held by U.S. taxpayers, or foreign entities in which U.S. taxpayers hold a substantial ownership interest. This investment is essential to the IRS fulfilling its international commitments and to the IRS fully utilizing the information directed by Congress to promote compliance for U.S. taxpayers using foreign accounts.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	28.13	23.97	24.38	0.41	1.70%
Total Obligations	28.13	23.97	24.38	0.41	1.70%

### Purpose, Accomplishments, Future Objectives:

The purpose and goal of FATCA is to promote disclosure of foreign accounts held by U.S. taxpayers and to integrate this information into current IRS compliance activities. FATCA introduced new reporting requirements for U.S. taxpayers and Foreign Financial Institutions (FFIs). The legislation requires U.S. taxpayers holding foreign financial assets, with aggregate values exceeding certain thresholds, to annually report information to the IRS; and for FFIs with U.S. taxpayer accounts to register, report annually to the IRS, and withhold/pay 30 percent of selected U.S. source income to the IRS. These complementary provisions create a web of international tax accountability, allowing the IRS to gather and analyze information from multiple sources, bolstering the compliance of U.S. taxpayers with assets overseas.

Treasury has worked with foreign governments to negotiate Intergovernmental Agreements (IGAs) that address specific legal impediments surrounding privacy laws and the disclosure of account holder information. In addition to foreign account and asset data submitted by taxpayers and entities, the IRS will assemble and transmit Bank Deposit and Interest (BDI) data on accounts held by foreign nationals from U.S. financial institutions (FIs) to foreign government Host Country Tax Authorities (HCTAs), under agreements intended to facilitate FATCA adoption.

The IRS has delivered all legislatively-mandated functionality ahead of schedule and under budget that was approved under FATCA governance. FATCA moved to normal operation in October of 2018.

- Deployed state-of-the-art FATCA Registration solution for Financial Institutions (FIs) worldwide, establishing a streamlined environment to register, ensuring data security; 389,034 FIs have registered as of May 31, 2021.
- Developed Global Intermediary Information Number (GIIN), issued to FIs that register with the IRS that allows the U.S. and IGA partners to identify FIs with associated filing data.
- Deployed an electronically searchable/downloadable FI List.
- Developed uniform standards for data collection/transmission from FIs via the FATCA XML schema, with cooperation of foreign governments; information sharing pursuant to IGAs will take place in accordance with these standards.
- Released new FATCA forms and deployed a global platform, International Data Exchange Service (IDES); successfully enabling reporting and electronic information exchange.
- Launched International Compliance Management Module (ICMM) to receive, process, store, and manage FATCA data received from various sources, making it available for future compliance activities.
- Implemented significant communication/outreach activities to streamline processes and provide FATCA guidance (e.g., issues escalated from IRS.gov, eHelp Desk, and Comments Application).
- Established IGAs with over 100 governments worldwide, on behalf of the Department of the Treasury.
- Implemented Reciprocal Data Exchanges to include Form 1042S-Withholding Agent changes; application submission, Qualified Intermediary (QI) Agreements; and Renewal of Financial Institution (FI) Agreements.
- Released certification process and features to allow FATCA FI and QI to stay compliant with FATCA. Improved capabilities to improve and support the certification process were also achieved and delivered.

FATCA's long-term goals will be achieved through the FATCA Program Release Plan, which outlines a prioritized approach to: address required legislative mandates, deliver new/enhanced business capabilities, reduce/mitigate risks, evaluate deficiencies in current system capabilities, reduce manual workarounds for the Business and IT, improve FATCA compliance practices, and establish IT capabilities that can support other IRS initiatives.

## **Individual Master File (IMF)**

### **Description:**

IMF is the authoritative data source for individual tax account data. All other IRS information system applications that process IMF data depend on output from this source. IMF is a critical component of IRS' ability to process tax returns. IMF is one of Treasury's High Value Assets (HVAs) because of its critical role in tax administration. The Office of Management and Budget Memorandum M-17-09 "Management of Federal High Value Assets" defines HVAs as "Federal information systems, information, and data for which an unauthorized access, use, disclosure, disruption, modification, or destruction could cause a

significant impact to the United States' national security interests, foreign relations, economy, or to the public confidence, civil liberties, or public health and safety of the American people.”

**Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	4.01	9.30	8.25	-1.05	-11.34%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	18.70	19.65	21.90	2.24	11.42%
Total Obligations	22.71	28.95	30.14	1.19	4.11%

**Purpose, Accomplishments, Future Objectives:**

IRS is responsible for collecting revenue from individuals to fund the operations of the federal government. To effectively accomplish this goal, it must maintain authoritative data on individual taxpayers. Within the IMF, accounts are updated, taxes are assessed, and refunds are generated as required each tax filing period. Virtually all IRS information system applications and processes depend on output, directly or indirectly, from this data source.

Currently, the IMF continues to fill the functional needs of the individual taxpayer account processing and to perform Operations & Maintenance for tax law changes. Future endeavors include translating key IMF runs from Assembly Language Coding (ALC) to Java in conjunction with the CADE 2 project. The IMF team will continue interacting with programs that impact IMF and continue performing Operations & Maintenance for tax law and maintenance changes.

**Information Returns Modernization (IR Mod) formerly Business Services**

**Description:**

IR Mod strategy is a four-phased approach where the first phase satisfies requirements to meet the Taxpayer First Act (TFA) Section 2102 legislative mandate by 1/1/2023. IR Mod Phase 1 includes deployment of a Cloud based multi-channel intake interface for the 1099 Form series and downstream modernization that lays the foundation for future phases. The new intake portal will be one of the first Filing Season (FS) systems accessible to external users in the Cloud. Current IR processing systems are built on legacy technologies that provide minimal flexibility to the taxpayer. IR Mod will provide a simple and secure manner for small businesses and form transmitters to file critical information returns electronically through an online business services platform. This platform will enable small businesses to prepare and file information returns online while preparing payee statements and creating necessary business records. IR Mod will support improved compliance of small business taxpayers while reducing administrative burden.

## **Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	8.74	45.37	46.78	1.41	3.10%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	8.74	45.37	46.78	1.41	3.10%

## **Purpose, Accomplishments, Future Objectives:**

The IRS will continue to evolve core information return filing systems to provide the quicker and easier filing services that taxpayers expect. These outcomes will be realized through data-driven operations and decision-making, and core information returns systems modernization. Information Returns Modernization (IR Mod) supports the goal of enhancing systemic identification of noncompliance and fraud, while also decreasing false positives, by improving data quality and availability for downstream compliance. Longer term, these efforts will contribute to the IRS's ability to increase taxes collected as a percentage of taxes owed, thereby increasing efficiency of audits and voluntary compliance as taxpayers find it easier to make self-corrections.

### FY 2020 Accomplishments:

- Facilitated the IR Mod Phase 1 Delivery Summit to drive accelerated delivery in IT and identified risks, impacts, and opportunities of approach.
- Aligned the IR Mod Phase 1 workstreams to a Program Management Office (PMO) framework that leverages existing capacity.
- Identified high-level resource estimates for work required to deliver IR Mod Phase 1.
- Leveraged work completed for IR Mod Intake Platform Taxpayer Experience.

### FY 2021/FY 2022 Planned Accomplishments:

- To work towards the delivery of a limited use release that aligns with Filing Season 2022 to support business-focused organizational readiness activities and provide an opportunity for early technical integration.
- Facilitate delivery of Digital Taxpayer Experience and Customer Service workstream leveraging WebApps capacity.
- Complete scheduled IR Mod Phase 1 Rapid Requirement Elicitation (RRE) sessions to identify technical requirements for Phase 1 capabilities supporting Legacy Integration and Modernization workstreams.
- Drive the stand-up of Cloud Production Infrastructure to allow for external access and create an API gateway capability to modernize IR intake.
- Develop vision, scope, architecture interface control documents and simplified design specification report for Phase 1.

## Integrated Customer Communication Environment (ICCE)

### **Description:**

ICCE provides problem-solving information through software and connections to legacy databases for both the phone and web. These applications use voice response, Internet, and other computer technology to provide service to taxpayers 24 hours a day.

### **Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	5.56	2.19	1.50	-0.69	-31.42%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	7.87	11.64	11.16	-0.48	-4.12%
Total Obligations	13.43	13.83	12.66	-1.17	-8.44%

### **Purpose, Accomplishments, Future Objectives:**

Integrated Customer Communication Environment (ICCE) directly supports the IRS Strategic Goal of enabling all taxpayers to meet their tax obligations while protecting the integrity of the tax system. ICCE functionality includes:

- Get Transcript allows authenticated taxpayers to securely view copies of their account online.
- Order a transcript allows taxpayers to order transcripts online. Online Payment Agreement (OPA) allows the taxpayer or Power of Attorney and qualified businesses to apply for and receive on-line approval for a short-term extension to pay or set up a monthly installment agreement.
- Identity Protection PIN (IPPIN) allows taxpayers the option to obtain a PIN to protect their tax data.
- Internet Refund Fact of Filing (IRFOF) - Where's My Refund (WMR) provides tax refund status information via the web to Form 1040 (individual) series filers.
- Where's My Amended Return (WMAR) allows taxpayers to check the status of their amended returns via web or phone.
- Internet Refund Trace allows taxpayers who have not received paper refunds after a specific amount of time to initiate a refund trace.
- Modernized Internet Employer Identification Number (MOD IEIN) allows the user to apply for an Employer ID number (EIN) online.
- ICCE provides a set of telephone apps allowing individual taxpayers to interact directly with their accounts.
- ICCE Online Services (OLS) Web services & mobile apps is designed to be used via smartphone technology. Applications include Offer In Compromise (OIC) Calculator, Return Preparer Look-Up Tool, IRS2Go, Volunteer Income Tax Assistance (VITA).
- Federal Student Aid - Datashare (FSA-D) is a web based app that provides taxpayers completing the Free Application for Student Aid (FAFSA) through the Department of



Education's FAFSA On The Web (FOTW) with access to relevant tax data from their filed individual Federal tax return.

- Private Debt Collection Data Transfer Component (PDTC) is a legislatively mandated initiative for Private Collection Agencies (PCAs) to collect certain categories of past due taxes for individual taxpayers and businesses.
- Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act direct Data Exchange (FA-DDX) - implements FUTURE Act legislative mandate, an Application Programming Interface for the Department of Education to securely retrieve taxpayers' Federal Tax Information (FTI) for completing the FAFSA.
- Get My Payment (GMP) implements Health and Economic Recovery Omnibus Emergency Solutions (CARES) Act legislative mandate, providing users a web-based app to retrieve their Economic Impact Pay (EIP) stimulus payment status and an option to provide bank information.

#### FY2020/2021 Accomplishments:

- Get My Payment
  - Initial Rollout of the COVID-19 "Get My Payment."
  - Delivery of multiple stimulus payment status, and option to choose debit card as method of payment
- FUTURE Act (FA-DDX).
  - Completed the deployment of the API to directly exchange tax information with the Department of Education, for the scheduled delivery in FY 2021.
- ICCE Telephone Suite
  - Turned off Order a Transcript (OAT) and Transcript telephone applications due to government facilities being closed and IRS employees being unable to report to work due to the COVID-19. This enabled requested transcripts to be mailed to the taxpayer.
  - Turned on Order a Transcript (OAT) and Transcript telephone applications after IRS employees were ordered back to work.
  - Deployed COVID-19 emergency message informing taxpayers our Customer Service Representatives were unavailable to take your calls due to being closed because of the coronavirus pandemic.
  - Removed COVID-19 emergency message as customer service representatives were allowed to report back to work
- Federal Student Aid - Datashare (FSA-D).
  - Studentaid.gov Cutover (NextGen) Department of Education applications were migrating to a different site. Changes had to be made to accept posts from the new site (Studentloan.gov) and post results back.
- JBoss
  - In order to support the JBoss Upgrade, changes were implemented to the presentation layer of the ICCE applications, including Get Transcript, IPPIN and OPA.
  - ICCE Core – Progressive Web Apps (PWAS) was deployed for ICCE Core which includes Get Transcript, IPPIN and OPA.
- Online Payment Agreement (OPA)
  - Urgent Eligibility Date Change Needed Due to COVID-19.

- OPA back-end change to the BD11 response data to set the Installment Agreement (IA) Type Allowed = 0 for existing DDIA Revisions.
- Call Processing
  - Implement "Topic Base Routing Menu" to more accurately route callers based on the call inquiry; a new multi-layer routing was added in English and Spanish.
  - After Hours Location Change.
  - Interactive Voice Response (IVR) Topic Base Routing Menu.
  - Topic Based Routing Menu report permanent fix for reports on Management Information Systems (MIS).
- Offer in Compromise
  - Allowable Living Expenses (ALE) - The new values that OIC uses to calculate when a taxpayer can have an option to do an Offer In Compromise.
  - Requirements Enhancement.
- Modernized Internet Employer Identification (iMOD IEIN).
  - Small wireframe change.
  - Prefix 85 Updates.
- Identity Protection Personal Identification Number (IPPIN)
  - Wireframes 001 and 002.

FY 2021/2022 Objectives:

- Continual maintenance of all telephone, web, Cloud and mobile applications as requested by our business partners throughout the agency.

## **Integrated Data Retrieval System (IDRS)**

### **Description:**

Since 1973, IDRS has been a mission-critical system. Used by 60,000 IRS employees, it provides for systemic review, consistency in case control, alleviates staffing needs, issues notices to taxpayers and allows taxpayers to see status of refunds. IDRS is one of Treasury's high value assets (HVAs) for its critical role in tax administration. It manages data retrieved from the Tax Master Files allowing IRS employees to take specific actions on taxpayer account issues, track status and post updates back to the Master Files. It provides for systemic review of case status, alleviating staffing needs and providing consistency in case control. Actions taken via IDRS include notice issuance, installment agreement processing, offers in compromise, adjustment processing, penalty and interest computations and explanations, credit and debit transfers within an account or other related accounts and research of taxpayer accounts for problem resolution of taxpayer inquiries.

## **Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	2.11	6.57	5.06	-1.51	-23.01%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	14.84	14.85	17.09	2.25	15.13%
Total Obligations	16.95	21.41	22.15	0.74	3.43%

## **Purpose, Accomplishments, Future Objectives:**

IDRS is a secure, reliable, flexible and mission-critical system consisting of databases and programs supporting IRS employees who are working active tax cases.

- IDRS provides for systemic review of case status, reducing staffing needs and providing consistency in case control. For example, each time a taxpayer phones IRS, the representative answering the phone uses IDRS to log the call and answer any questions.
- Actions taken via IDRS include but are not limited to: notice issuance; taxpayer correspondence; installment agreement processing; offers in compromise; adjustment processing; penalty and interest computations and explanations; credit and debit transfers among accounts; research of taxpayer accounts for problem resolution of taxpayer inquiries.
- Using data analytics, IDRS enables IRS to efficiently evaluate taxpayer data to inform enforcement and secure legal compliance, both domestically and internationally.
- IRS internet applications access IDRS to provide services, information and assistance to taxpayers. For example: Annually, taxpayers make over 461 million inquiries via Where's-my-refund at [www.irs.gov](http://www.irs.gov). Annually, over four million business taxpayers obtain Employer Identification Numbers (EINs) through [www.irs.gov](http://www.irs.gov) instead of paper correspondence.

IDRS enables businesses providing payroll services to submit tax data on behalf of millions of taxpayers and collaborates with registered tax practitioners to reduce the burden of filing Powers of Attorney and Taxpayer Information Authorizations, allowing them to request access to other E-Services. A variety of tax information is produced by IDRS that facilitates collaboration with various internal and external partners including: Social Security Administration (SSA); Bureau of the Fiscal Service; state and local governments; and tax practitioners.

IDRS is continuously monitored for cost, schedule, and project performance. IDRS serves the taxpayers in many ways and helps address various performance gaps. IDRS' taxpayer-centered services promote intangible goodwill to citizen's perception of IRS and the Federal Government as well as ensuring consistent, efficient service.

FY 2020/ FY 2021 Accomplishments:

- Private Debt Collection Release 5.0 New Closing Code 37 and 38 (FS 2020).
- Modified Taxpayer Delinquent Account (TDA) processing for Internal Revenue Code (IRC) 965(h)(3) Transferee Liability Modules (IMF Master File Tax (MFT) 82 and BMF MFT 83).
- Congress required, as part of the Tax Cuts and Jobs Act, Pub. L. 115-97, implementation of a new 965(h) – Transfer Liability Filing. This required changes to existing IDRS Penalty and

Interest programs to handle the new MFT and the associated calculations for penalty and interest.

- Inflation Adjustments for under P.L. 113-295 Prov 208 (Rev. Proc.) were implemented in IDRS Penalty and Interest programs to increase the minimum Failure to File (FTF) & filing penalties for 2020.
- Added new functionality to IDRS Command Code (CC) FRM77 to enhance the tracking of Identity Theft cases.
- Added new functionality to IDRS CC FRM77 for the Tax Reform, Opportunity Zone legislation. These changes allow identification of taxpayers that have a deferred gross income for capital gains reinvestment in a qualified opportunity fund.
- Added new functionality to Standardized IDRS Access (SIA) and CC FRM77 to identify the shelving of specific Private Debt Collection (PDC) accounts.
- Successfully completed transmittals of four tax reform Work Request (WR) changes for ADJ54 and one for Weekly Taxpayer Information File Update (WTU) projects along with other WRs, which did not impede timely delivery for Filing Season (FS) 2020. Added all activities associated with Tax Reform to the Applications Development (AD) Integrated Master Schedule for IDRS FS 2020 deployment. All tasks were completed for cross domain schedules to ensure successful implementation.
- Deployed five Tax Cuts & Jobs Act WRs for ADJ54 which had the biggest impact for Tax Reform & one for Pre- and Post-WTU along with two WRs for Bipartisan Budget Act.
- Performed significant development to support the Coronavirus Aid, Relief, and Economic Security (CARES) Act COVID-19 pandemic relief. Paused installment agreement processing, changed penalty and interest programming for changing the filing season date to 7/15/2020, paused notices to delinquent taxpayers to prevent those accounts from going to collections.

Future development efforts are limited primarily to:

- Legislatively mandated tax law changes and implementation of customer-approved work requests that enable IRS employees and systems that depend on IDRS, to ensure compliance with current tax law while providing quick and accurate service to taxpayers. For filing season 2020, IDRS delivered significant programming around the Taxpayer First Act & Tax Reform.

## **Integrated Financial System/CORE Financial System (IFS)**

### **Description:**

IFS is the IRS's core financial system used for budget, payroll, accounts payable/receivable, general ledger functions and financial reporting. IRS uses IFS to report on the cost of operations and manage budgets by fiscal year. In addition, it provides functionality supporting the management and administration of the federal acquisition/procurement processes.

**Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	1.97	8.09	0.13	-7.96	-98.45%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	11.43	11.11	11.41	0.31	2.76%
Total Obligations	13.40	19.20	11.54	-7.66	-39.89%

**Purpose, Accomplishments, Future Objectives:**

Integrated Financial System (IFS) is the core financial system for IRS. By leveraging a Federal version of Systems Applications and Products in Data Processing (SAP) COTS software, the system provides a reliable, standardized and auditable platform for administrative accounting, budget formulation/labor forecasting and execution (funds management) of the IRS annual budget. Other financial functions include:

- General ledger, managerial cost accounting, accounts payable, accounts receivable, purchase card transaction processing and payments, asset accounting, all financial reporting, and budgetary and management reporting.
- In addition, it provides functionality supporting the management and administration of the federal acquisition/ procurement processes.
- The IFS system provides the ability for accountants, budget, and financial management analysts to effectively manage U.S. Government finances for the Internal Revenue Service and respond to audit requests in support of a clean audit opinion.
- IFS allows the IRS to pay its bills on time while meeting Federal financial regulatory requirements.

FY 2020: Implemented IFS/Procurement for Public Sector (PPS) system changes to support the Monthly Releases in the Production environment. Updated changes, functionality, enabled additional reporting/resolved defects to improve reliability, availability and security. The Monthly releases consist primarily to address system defects, routine maintenance, service requests and change requests. In addition, the project completed the following enhancements to the IFS application:

- Upgrade of Informatica software (prior version was end of life) and the Portal.
- Enhancements to Identify Management (IdM) reports.
- Modification to the IVES interface in support of Increased User Fees under the Taxpayer First Act.
- COVID-19 Hazard Pay Functionality.
- Completed Blue Printing for Treasury mandated G-Invoicing solution.
- IFS completed standard maintenance patches, year-end close, and supported the annual GAO audit.
- Implemented multiple improvements for priority IFS/PPS Functionality Changes identified during Procurement Business Workshops that were determined to be priorities for Procurement Operations.

FY 2021/2022: IFS will also make changes as necessary to support ongoing Federal Financial System mandates. IFS is a Federal version of SAP COTS software which includes PPS.

- Complete standard maintenance patches, year-end close, and address any GAO findings.
- Deploy monthly releases for defect corrections and service requests as requested and prioritized by the customer (CFO/Procurement).
- Develop a legislatively mandated interface with Treasury’s G-Invoicing system. Required implementation date is October 2022.
- Input functional changes for legislatively mandated changes related to Dun and Bradstreet Universal Numbering System (DUNS) number replacement.
- IFS initiated an effort to move our application to the next level of SAP architecture from the current version (ERP Central Component (ECC) to High Performance Analytical Appliance (HANA) S/4). In FY 2021, the project began the migration of the current IFS SAP applications to an SAP HANA Infrastructure in a Cloud Environment. The overall migration effort will take two (2) years to complete.
- Develop an Integrated Reporting Solution for the Procurement component of the application.

## **Integrated Submission and Remittance Processing System (ISRP)**

### **Description:**

ISRP is the legacy frontline tax processing system that processes paper tax returns from individuals and businesses. It also updates tax forms to comply with tax law changes.

### **Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.11	4.40	1.83	-2.57	-58.42%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	10.08	10.86	12.17	1.31	12.02%
Total Obligations	10.19	15.26	14.00	-1.26	-8.27%

### **Purpose, Accomplishments, Future Objectives:**

The Integrated Submission and Remittance Processing (ISRP) system is an integrated suite of hardware, software and network components that provides the interfaces for data entry perfection and transmission of data to IRS Corporate data storage. ISRP Data Entry Operators enter the information from various paper documents, which are then converted into electronic data used by downstream operations such as Financial Information Systems. ISRP also updates tax forms to comply with legislative changes in tax laws. There is a system dependence on various IRS applications such as Generalized Mainline Framework (GMF), Enhanced Entity Index File (EEIF), Integrated Data Retrieval System (IDRS), and Enterprise File Transfer Utility (EFTU).

## Accomplishments and Future Objectives:

### FY 2021:

- Deliver legislatively mandated Coronavirus Aid, Relief, and Economic Security (CARES) Act to keep ISRP up-to-date.
- Deliver legislatively mandated Taxpayer First Act Changes to keep ISRP up-to-date.
- Deliver updates to the ISRP system for completing the clean-up from the Tax Reform changes.
- Continue to send Foreign Account Tax Compliance Act (FATCA) information (Forms 8938, 8966 and 1042-S (Recipient Copy) to the International Compliance Management Model (ICMM) system.
- Continue migration of the ISRP Program Requirements Package (PRP) documents currently in Microsoft Word format to the Rational Requirements Composer (RRC) system.
- The refresh of the remittance transport infrastructure including the implementation of Electronic Check handling.
- Deploy security patches, maintenance and firmware updates.
- Submission Processing Consolidation: Prepare for the closing of the Fresno site in 2021.
- Complete the refresh of ISRP server infrastructure.
- Continue to support both Individual Master File (IMF) and Business Master File (BMF).

### FY 2022:

- Deliver legislatively mandated Coronavirus Aid, Relief, and Economic Security (CARES) Act to keep ISRP up-to-date.
- Deliver legislatively mandated Taxpayer First Act Changes to keep ISRP up-to-date.
- Consider proposals and options to leverage functionality between the ISRP and Service Center Recognition/Image Processing System (SCRIPS) systems to improve efficiency and continue to reduce costs.
- Continue migration of the ISRP Program Requirements Package (PRP) documents currently in Microsoft Word format to the Rational Requirements Composer (RRC) system.
- Continue the effort to keep the ISRP server infrastructure current.

## IRS End User Systems and Services (EUSS)

### **Description:**

The EUSS standard investment provides user-centered information technology (IT) products and services for 80,000 IRS employees at headquarters and field offices (including international locations). The EUSS investment funds the provisioning of end user hardware and software as well as the day-to-day operations, maintenance, services and support of all end user technologies at the IRS. As such, this investment is essential to providing the IRS with reliable, secure, innovative, cost-effective technology and services that enable communication, collaboration and business capabilities.

## **Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	52.98	51.99	42.09	-9.90	-19.05%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	211.26	226.06	251.72	25.66	11.35%
Total Obligations	264.24	278.06	293.81	15.75	5.66%

## **Purpose, Accomplishments, Future Objectives:**

The EUSS investment provides end user focused Information Technology (IT) products and services for 80,000+ IRS employees at headquarters and field offices (including international locations). The EUSS investment includes annual funding for the provisioning of end user hardware and software as well as the day-to-day operations, maintenance, services and support of all end user technologies at the IRS.

The purpose of the EUSS investment is to provide secure, reliable, innovative and cost-effective IT computer hardware, software, services and support for IRS employees in delivering the IRS' Tax Administration mission. The goal of the EUSS investment is to ensure that the IRS maintains a secure, stable and innovative workplace computing environment that provides employees with state-of-the-industry computing devices, applications, security defenses, business tools and associated end user services to maximize their uptime and productivity. Additionally, the EUSS investment facilitates delivery of user focused IT projects and initiatives that enable communication, collaboration and business capabilities in alignment with the IRS Strategic Plan.

- Created over 227 software (SW) deployment packages, equating to 2.7 million individual deployments to workstations (WS) with a 99.88% success rate & no user issues
- Replaced approximately 14,000 aged WS, bringing aged WS environment down to less than 22 percent. Continued migration of WS from Win7 to Win10.
- Upgraded/replaced approximately 30,000 WIN7 based WS with WIN10, bringing overall WS enterprise to 94.9 percent operating on WIN10, thus improved security posture & currency of environment.
- Due to COVID-19, direct-to-home laptop shipping was implemented to support telework enablement for shared & desktop workstation users, break-fix replacement & new hire needs that replaced user requirement to be at Post of Duty (POD) to receive new WS.
- Ordered & delivered approximately 62,000 hardware (HW) items to support teleworking enablement for employees during COVID-19. The number of users having telework capabilities increased from approximately 42,000 to over 73,000 in accordance with IRS guidelines on telework. This enabled IRS to continue providing service to the American public.
- Implemented five Federal Information Security Management Act (FISMA) General Support System (GSS) boundaries into Asset Management program processes which improved data quality for HW Asset Management for these boundaries. Data quality increased for consistency (from 7.21 percent to 96.91 percent), completeness (from 2.99 percent to 98.65 percent overall) & accuracy (from 10.67 percent to 85 percent) across two GSS boundaries that have completed full implementation.



- Integrated KISAM Service Manager (SM) component which includes all IRS Service Management ticketing, with Asset Manager (AM). Integration reduced 17 percent of manual work for updates between SM & AM and streamlined Workstation Refresh/Replacement flow Requests. In the future, there is opportunity to expand integration to benefit other request processes as well for 100 percent reduction in manual work involving asset information translations.
- Addressed Assistive Technology (AT) user experience and IT services and support enterprise wide with implementation of an AT specific call-in gate on Service Desk (SD), deployed new high performance Win10 WS for AT users & resolved user-experience issues with COTS & Government off the Shelf (GOTS) SW products.

Future Objectives:

- Continue to gather use cases for additional Robotics Process Automation (RPA) implementation focused on improving customer experience, automating redundant processes and enhancing customer self-service regarding products & services.
- Assess feasibility of Desktop-as-a-Service cloud-based Virtual Desktop Infrastructure (VDI) solutions
- Continue maturity of IT Asset Mgmt. process improvement, including transition to PC Lifecycle Management (PCLM), a managed service contract
- Continue production deployment of Treasury Managed Print Service
- Ensure mandated changes are implemented to provide updated desktop services and support for all end user technologies at the IRS

## IRS Main Frames and Servers Services and Support (MSSS)

### Description:

Provides for the development and deployment of server, middleware and large systems and enterprise storage infrastructures, including systems software products, databases, and operating systems for these platforms.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	53.74	42.78	21.00	-21.78	-50.91%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	533.44	562.50	655.36	92.86	16.51%
Total Obligations	587.18	605.28	676.36	71.08	11.74%

### Purpose, Accomplishments, Future Objectives:

The Mainframe and Servers, Services and Support (MSSS) investment represents the operational investment for the deployment of server, middleware, and large systems as well as enterprise storage infrastructure, including systems software products, databases, and operating systems for these platforms.

MSSS resources are primarily used to support the operations & maintenance of the vast array of infrastructure necessary to support tax administration. MSSS represents roughly 25 percent of the IRS's total IT budget. The primary objective of the MSSS investment is to ensure the continuity of IT operations, support and maintenance for all Tier I (Enterprise Servers) and Tier II (Servers, Middleware, Storage, Databases) production systems responsible for the daily operations of IRS batch and online processing. In addition, all supporting environments that make up application development and deployment pipelines must be maintained, patched, secured and available for over 400 processing applications. This investment shall ensure timely tax processing and refund issuance to millions of taxpayers and businesses. MSSS TIER I Infrastructure costs supports submission processing and the upgrading of Enterprise mainframes to handle over 10,000 MIPS (Millions of Instructions Per Second) thus increasing capacity to handle peak transactions. MSSS TIER II Infrastructure costs also supports submission processing and critical IRS processes such as: collections, criminal investigations, processing individual tax returns and processing paper and electronic taxpayer payments as well as various internal IRS business applications. The MSSS non-tier specific costs support critical IRS processes and infrastructure that could occur. This cost is required to ensure all infrastructure related to supporting filing season and submission processing is available for the tax customer without disruption. Projects such as Enterprise Discovery (eDiscovery), Enterprise Exchange Upgrade Solution, Enterprise Records Management (eRM), and other efforts have been deferred due to increases in Operations and Maintenance (O&M) which leads to reduced availability of Development, Modernization and Enhancement (DME) resources.

MSSS investment continues to deliver a successful filing season through the efficient management and maintenance of infrastructure operations.

Examples of Filing Season 2020, Summer 2020 & CARES Act accomplishments:

- Upgrade of IBM mainframes.
- Removal of 90 percent of W2008R2/SQL2008 servers from IRS environment, improving infrastructure currency, divesting security-vulnerable servers, & moving towards virtualization.
- IRS IT successfully met its IT Mod Plan by achieving Continuous Diagnostics & Mitigation (CDM) Phase 1 Full Operational Capability.
- Taxpayers accessed GMP 50 million times on opening day, with the site experiencing as many as 1,900 Technology and Program Solutions (TPS).
- Patched approximately 6,200 servers to mitigate significant vulnerabilities in Windows (Win) Operating System (OS) within 10 business days in accordance with a new federal requirement.
- Readied infrastructure platform for CADE 2 processing of taxpayer changes supporting stimulus payments – loaded 325 gigabytes (GB) of data in under 15 hours - more than four times the data loaded on the 2019 peak filing season day.
- Experienced zero outages on the IBM z/OS mainframe systems & Unisys operating systems.
- Supported deployment of Modernized e-File (MeF) system Filing Season changes including April & July peaks.
- Coordinated database management activities, including storage, memory & monitoring enhancements, supporting efforts to improve performance & reduce load time of CADE 2 files from five hours to 45 minutes for the extended Filing Season.
- Exceeded Aged Asset target reduction by successfully completing 92 percent of the Win2008R2 migrations to Win2012R2 & retiring 89 percent of W2008R2 servers. 78 percent of all aged assets have been reduced with 223 assets remaining.

- IRS leverages all aspects of private storage cloud, meeting dynamic storage demands.

Future Objectives:

- Increased focus on enterprise strategic goals, new technologies, increased capabilities & service models to improve overall performance & support.
- High Service Availability (HSA) Resiliency & Strategy Phase II- Improve stability of the infrastructure environment, Accelerated Deployments to ensure implementation of software transmittals into Production Environment to facilitate cyber readiness for FS.
- Solaris Stabilization provides an interim solution to the aged Solaris hardware reliability and supportability issues for which vendor support ran out in January 2021.
- RedHat Enterprise Linux (RHEL) 6 to RHEL7
- Implementing a tapeless backup solution for eDiscovery. Solution will maintain data deduplication, significantly reduce storage demand. Expected data reduction of approximately 90 percent by using Cloud Catalyst.

## IRS Telecommunications Systems and Support (TSS)

### Description:

The Telecommunications Systems and Support (TSS) investment supports network (data and voice) services to provide secure taxpayer and employee access to IRS services. This includes the ability to provide access, phone, video, wireless and data services to 580 locations, 42,000 remote users, 80,000 employees and over 162 million taxpayer calls annually. As such, this investment is essential to providing the IRS with reliable, secure, innovative, cost-effective technology and services that enable communication, collaboration and business capabilities.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	69.73	48.77	75.78	27.00	55.37%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	299.39	336.29	422.60	86.31	25.67%
Total Obligations	369.12	385.06	498.37	113.31	29.43%

### Purpose, Accomplishments, Future Objectives:

The TSS investment provides a reliable, secure, innovative, and cost-effective telecommunications systems and services that enable communication, collaboration and business capabilities in support of the IRS's Tax Administration mission. Specifically, the TSS investment ensures that IRS maintains a secure, stable and innovative network environment by providing and managing secure state-of-the-industry telecommunication systems to enable system, employee and taxpayer communication. Also, User and Network Services (UNS) provides initiatives that are IT modernization centric and support the IRS IT Modernization plan.

The Strategic Objectives of the investment are:

- Operational Excellence - Secure, efficient and effective service through on-time delivery, lower costs and capacity gains.
- Workforce Excellence - A satisfied, engaged and well-trained workforce equipped to provide outstanding service.
- Innovation and Business Value (Technology) - Increased business value, expanded capabilities, increased operational and resource capacity to support changing business priorities.

The modernization of the IRS network and operations ensures a secure highway supporting tax administration and is the critical base for the IRS digitalization strategy which supports the IRS mission of helping taxpayers understand and meet their tax responsibilities and enforcing the law with integrity and fairness.

- Delivered Toll Free Contact Center (TFCC) Enterprise Infrastructure Solutions (EIS).
- Transitioned toll-free numbers from Networx to EIS utilizing Back Office Transition.
- Implemented solution and completed functionality of Internet Protocol (IP) Transport to 13 call sites, remaining sites completed December 2021.
- Upgraded Large Cat1 site server hardware (HW) infrastructure, supporting Call Manager (CUCM).
- Upgraded Call Manager and Unity voicemail to version 11.5.1 on enterprise cores and Cat1 clusters.
- Upgraded Ogden primary circuit to 10G for Customer Callback. Added 11 taxpayer applications for a total of 16. Increased callback coverage of taxpayer calls from 19 percent during FS 2020 to 40 percent during FS 2021. In 2021, offered callback to 2.07 million taxpayers with an average acceptance rate of 56.8 percent and reconnect rate of 92.5 percent. Saved 595,000 hours of taxpayer hold time to reduce taxpayer burden. Due to implementation of IP Transport, migrated Enterprise Service Desk (ESD) technical demonstration Customer Callback solution to Bridge Solution to increase efficiency of operations and implemented callback solution on six Enterprise Resource Center (ERC) phone lines or applications.
- Deployed Quality of Service to all PODs to control & manage network resources.
- Updated all Network devices to password minimum length requirement.
- Rolled out Internet Protocol version 6 (IPV6) to Enterprise Remote Access Project (ERAP) so users via Virtual Private Network (VPN) are now receiving IPV6 addressing.
- Implementation of Data Center (DC) SW Defined Networking. Cisco App Centric Infrastructure at both.
- Data Centers & migrated critical apps (i.e., Exchange & Skype).
- Completed Unified Access Enforcement Mode to all PODs and completed first High Value Asset segmentation.
- Deployed Aternity client to monitor, analyze & improve user experience.

- Upgrade of Unified CC Enterprise Parent & Child Infrastructure Update Project-Endpoint Replacement (IUP- ER) app to Cisco Internetwork Operating System (IOS) 11.6.
- Increased IRS telework capabilities from 40,000 to 73,000 users with support of 56,100 concurrent online users.
- Provided CC infrastructure and systems support for 74,400,000+ IRS call center calls and 1,460,000+ Stimulus Check calls.
- Implemented Economic Impact Payment Integrated Voice Response via cloud to handle stimulus payment calls & stood up external Contact Center.
- Retired legacy cell phones and standardized smartphone solution.
- Delivered over 1,300 hot spots for Weather and Safety leave staff due to COVID-19 impacts.
- Deployed 23 Satellite phones nation-wide to support IRS Emergency response programs.
- Expanded electronic fax services and retired 200+ obsolete fax machines.

Future Objectives:

- Aternity End Users Experience Management – Optimize business application performance to improve employee productivity and customer satisfaction, mitigate the risk of IT transformation, and drive down the cost of enterprise operations; Ensure users are trained by Q4FY21
- Continued consolidation & reduction of voice gateway routers & CM server HW at large Cat1 sites
- Cloud Support – Establish operating model jointly with Cyber; investigate split-tunnel for ERAP traffic; Engineer and deploy CCG and TNet configurations for O365
- Implementation of various projects to improve Contact Center Support and services to taxpayers
- Ensure mandated changes are implemented to provide updated network services and support for IRS Employees and Taxpayers

## IRS.GOV - Portal Environment

### Description:

IRS portal provides seamless one-stop web-based services to internal and external users, such as taxpayers, business partners and IRS employees. The IRS.gov portal environment allows the IRS to provide 24x7 service to taxpayers at their convenience and facilitated 3.383 billion-page views and 401 million downloads in FY 2020.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	10.81	10.04	16.35	6.30	62.76%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	72.73	71.94	73.10	1.16	1.62%
Total Obligations	83.54	81.98	89.45	7.47	9.11%

## **Purpose, Accomplishments, Future Objectives:**

IRS portal provides seamless one-stop web-based services to internal and external users, such as taxpayers, business partners and IRS employees. The IRS portal environment supports the IRS mission by providing a virtual tax assistance center for internal and external users. IRS.gov remains a cost-efficient platform to rapidly deploy standardized customer-facing solutions. During the COVID-19 pandemic, the portal's ability to provide remote access to taxpayers, business partners and employees remains invaluable to the continuity of U.S. tax administration in times when standard face to face methods increased risk to taxpayers and IRS employees. During the 2020 and 2021 filing seasons, the portal was instrumental in the administration of the Economic Impact Payments to American taxpayers by providing remote access to applications like Get My Payment (GMP), the COVID-19 screening application, and Modernized Electronic filing (Mef). The portals continue to support rapid application deployments that are secure and fully capable to meet taxpayer needs. New evolving applications like Document Upload Tool and Advanced Child Tax Credit (ACTC) aligns the IRS with the changing needs of our taxpayers by providing them with a more accessible digital presence that is faster and more secure. IRS.Gov continues to improve in its ability to provide better tools by supporting rapid deployment solutions, utilizing Cloud technologies to quickly acquire secure storage and application platforms, providing more robust user interfaces, faster communications and improved security measures that comply with the latest NIST standards to provide value added services to our broad customer base.

### FY 2020/2021 Accomplishments:

- Rapid deployment of Get My Payment (GMP) I, II and III supporting Economic Impact Payments (EIP) during COVID-19.
- Rapid deployment of COVID-19 Self-Screening Tool for safer access to IRS facilities.
- RHEL 7 Platform Upgrade reduced response time and latency, increased throughput, and provided enhanced security.
- Enhanced reporting and analytics providing enterprise visualizations with Splunk IT Service Intelligence (ITSI) dashboards for Integrated Enterprise Portal (IEP) operations.
- Software Defined – Wide Area Network (WAN) technologies to improve performance and reliability of WAN IEP and IRS connectivity.
- Tax Withholding Estimator tool, Web Content Management System (WCMS).
- 20 Public User Portal (PUP) applications residing on the IEP successfully transitioned to cloud-based Amazon Web Services (AWS) environment.
- Withholding Estimator Tool designed to support 2021 Tax Reform legislation changes.
- Reservation model to provide broader access to Performance testing environments.
- WCMS operations and content updates for current filing season and second year tax reform changes.
- Annual filing season prep activities for all portals. (Public User Portal (IRS.gov)), Registered User Portal (RUP), Employee User Portal (EUP), and Transactional Processing Environment.
- Completed Affordable Care Act (ACA) activities in prep for Open Enrollment.
- Provided on-going Web Apps releases support.
- Supported required activities for the following IRS Initiatives:
  - Martinsburg Failover to Memphis.
  - Memorial Day Martinsburg Power Down/Up.
  - Disaster Recovery Exercises.

- Continued support of Political Organization Filing and Disclosure Back End (POFDB/E).
- Increased capacity, performance testing, and integration support for expected tax reform demand.
- Supported application updates and identified needed infrastructure upgrades.
- Plan for FS 2021 activities across all portals.
- Support ongoing Tax Reform updates for content and applications.
- Enterprise Operations (EOPs) Portal Accounts Replacement Tool investment will replace non-compliant software and reduce single point of failure for portal account management.
- Enterprise Informatica Platform within the tool will consolidate & refresh for continued operability.
- Support increases in portal activity based on historical growth trends and public's increased reliance on digital transactions.
- Support of the cloud-based Field Assistance Scheduling Tool.
- Expand ongoing Bitmap (BMP) implementation support (active protection) for public facing apps.
- Support ACA through the portal.

FY 2021/2022 Objectives:

- Implement Document Upload Tool.
- Support Advanced Child Tax Credit (ACTC).
- Support Income Verification Express Service (IVES) development.

## Modernized e-File (MeF)

### Description:

MeF is a critical component of the tax filing system. It provides service to institutional taxpayers by delivering a web-based system that allows electronic filing of corporate, individual, partnership, exempt organization and excise tax returns through the Internet. MeF is one of Treasury's high value assets (HVAs) for its critical role in tax administration.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	3.55	22.55	10.11	-12.44	-55.16%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	52.74	49.95	52.73	2.78	5.57%
Total Obligations	56.29	72.50	62.85	-9.66	-13.32%

## **Purpose, Accomplishments, Future Objectives:**

The Modernized e-file (MeF) Program provides a secure, web platform for electronically filing tax and information returns by registered Electronic Return Originators (EROs). This system uses a browser-based and application-to-application solution to provide ERO end users with optimized return filing. MeF is becoming the primary system for electronic filing of business and individual tax returns and forms. The MeF program supports the Treasury and IRS strategic goals by effectively and efficiently using resources to optimize return filing, expand e-Government, and reduce taxpayer burden. Beneficiaries include the tax preparation community and the taxpayers they represent. MeF also benefits large corporations and tax-exempt organizations that are required at a specific asset threshold to electronically file their tax returns or annual information returns by reducing the handling/ mailing of voluminous paper returns which sometimes exceed 700 attachments/schedules. MeF has dependencies with the following investments:

- IRS.GOV - Portal Environment
- Information Return and Document Matching (IRDM)
- Individual Master File (IMF)
- Business Master File (BMF)
- Tax Return Data Base (TRDB)
- Electronic Fraud Detection System (EFDS).

### FY 2020 Accomplishments:

- Deploy MeF Release 10.3 which will allow changes due to ACA, FATCA, Return Review Program (RRP) and maintenance of MeF including hardware, software, security, helpdesk, training, etc.
- Develop MeF Release 10.4 which will allow maintenance of MeF including hardware, software, security, helpdesk, training, etc.

### FY 2021 Future Objectives:

- Deploy MeF Release 10.4 which will allow maintenance of MeF including hardware, software, security, helpdesk, training, etc.

### FY 2022 Future Objectives:

- Deploy MeF Release 10.5 which will allow maintenance of MeF including hardware, software, security, helpdesk, training, etc.
- Develop new MeF Release for Filing Season 2023 which will allow maintenance of MeF including hardware, software, security, helpdesk, training, etc.



## Modernized IRS Operations

### Description:

The IRS will use innovative technologies and processes, such as Cloud, Agile, DevOps, Application Programming Interfaces, robotic process automation, and next generation infrastructure to reduce costs and manual effort.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	3.71	60.91	65.00	4.10	6.72%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	3.71	60.91	65.00	4.10	6.72%

### Purpose, Accomplishments, Future Objectives:

Modernizing IRS Operations supports technology efforts that will provide continuous operations and systems availability to support taxpayer application access, analytics-based decision-making enabled by reliable and accessible data, efficient process execution through increased automation of transactional repeatable activities, increase speed of delivery of new capabilities, and safeguard taxpayer data. This investment will enable modernized capabilities across IRS operations including:

- Automate manual processes using artificial intelligence and other advanced techniques freeing up IRS staff for more value-added work.
- Deploy software more quickly through automating delivery and infrastructure provisioning.
- Create standard, reusable services and common application programming interface (API) code, reducing duplicative/ "recreate" work for IRS employees, operational efficiency, reduced licensed cost, shared services platform.
- More efficient, scalable, resilient, and secure infrastructure.

This investment is for supporting activities for an objective of the current IRS Strategic Plan:

Modernize and integrate technologies and systems that support secure, flexible, and accurate work across IRS functions:

- Invest in the enhancement and integration of systems.
- Adopt iterative and flexible approaches to technology development and system updates.
- Maintain currency of hardware and software.
- Invest in innovative technologies and enable the delivery of secure, agile and efficient service offerings through cloud services.
- The IRS has made significant investments in the Massive Parallel Processing (MPP) (Greenplum - a purpose-built appliance which integrates database, compute, storage, and network for MPP) Data Computing Appliance (DCA) that provides cutting edge technologies supporting IRS critical filing season systems such as Return Review Program (RRP), Integrated Production Model (IPM), CADE 2, and ACA. The IRS is moving toward the Target State architecture by modernizing its business applications and adopting emerging

technologies such as cloud, data analytics, DevOps automation, and leveraging Application Programming Interfaces (APIs) for reusable enterprise-wide services. These initiatives and ongoing development efforts as described in the Enterprise Transition Plan (ETP) will help IRS to progressively deliver new capabilities and enhancements to the taxpayer and improved operations across all major business and technical areas.

#### FY 2020 Accomplishments:

- Robotics Process Automation (RPA)
  - Implemented technologies addressing Small Business/Self-Employed (SB/SE) Monitoring Offer in Compromise (MOIC), IT Help Desk Self-Service Natural Language Processing and Tax Exempt/Government Entity (TE/GE) Referrals Batch Process Identification.
- Application Programming Interface (API)
  - Developed approach to integrate internal and external API environment.
- Next Generation Infrastructure (NGI)
  - DevOps: Continuous Integration/Continuous Delivery (CI/CD) Onboarded (51) projects.
  - DevOps/Standard Stack: Developed and validated 3 to 5 stack components via automation and developed & deployed additional standard stack components.
  - DevOps: Centralized code repository (onboarded 15 projects).
  - Converting Legacy Code/Reducing the Application Footprint: Developed strategy on legacy code conversion.
- Cloud Execution
  - Cloud Roadmap.
  - Expand Cloud Target Reference Model.
  - Cloud Workforce Development - to train the IRS IT workforce on cloud skills.
  - Procure and deliver Enterprise Case Management (ECM) Release 1 Cloud Platform on Treasury Cloud.
  - Deploy Cyber Continuous Diagnostics and Mitigation (CDM) Phase 2 to Treasury Cloud.

#### Future Objectives:

- API
  - Define External API Product Strategy, Operating Model.
  - Enable Enterprise API Deployment and Management.
- Cloud Execution
  - Enterprise Container Platform on Cloud.
  - Cloud Workforce and Operating Model.
  - Cloud Migration and Support Services.
  - NetHub Release Management.
- RPA
  - Scale enterprise solution and onboard new projects.
  - Full Operational Capacity to enable additional use cases.
- NGI
  - Flexible Digital Workspace (Cloud Virtual Desktop Initiative).
  - Development of Use Cases for Automation.
  - Development of Database as a Service (DBaaS) Criteria and Platform for IRS Enterprise.

- MPP
  - Compute Hosting Platform for Massive Parallel Processing (MPP) Database – Analysis of Alternative hosting for Greenplum.

## Return Review Program (RRP)

### **Description:**

In late 2016 after the IRS retired the core functionality of Electronic Fraud Detection System (EFDS), RRP became the primary system used for pre-refund anomaly and fraud detection for individual tax returns claiming refunds, including all identity theft and fraud detection components. RRP uses leading-edge, machine learning technologies to detect, resolve, and prevent criminal and civil tax refund fraud and non-compliance. The IRS will expand the use of RRP to other return types, to further improve the agency’s ability to pursue significant areas of tax noncompliance. RRP is an anomaly detection system that enhances the IRS’ capabilities to detect, resolve, and prevent criminal and civil non-compliance (such as identity theft), in Tax Returns, reducing issuance of refunds for fraudulent tax returns. RRP is in sustaining operations targeted to deliver business value within the following scope areas: Analytics and Automation, Data Access and Analysis, Addressing Legacy Components, Infrastructure/Architecture.

### **Investment Obligations:**

Type	FY 2020 Actual Obligation	FY 2021 Estimated Obligation	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	4.49	9.73	23.33	13.61	139.88%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	53.87	50.17	52.14	1.97	3.93%
Total Obligations	58.37	59.89	75.47	15.58	26.01%

### **Purpose, Accomplishments, Future Objectives:**

Return Review Program (RRP) uses leading-edge machine learning technologies to detect, resolve, and prevent criminal and civil tax refund fraud and non-compliance, maximize fraud detection in real-time, and protect taxpayer revenue from the risks of increasing global fraud sophistication. RRP is mission-critical for the IRS to combat the ever-evolving tax fraud in a sophisticated, scalable, and adaptable manner. It is the anomaly detection platform for the enterprise for fraud and non-compliance. RRP correlates data across multiple data sources and enables the IRS to create predictive models for fraud and non-compliance. RRP has been operational since 2015 and continues to perform today as the primary line of defense against the perpetration of individual tax return identity theft, fraud, and non-compliance after retiring the legacy fraud detection system in the fall 2016. RRP's primary customers are Wage and Investment (W&I) and Criminal Investigation (CI).

#### 2020 Accomplishments:

- Complete deployment activities for the Palantir solution to replace the end-of-life legacy manual data analytics tool (Oracle Discoverer).
- Addressed and applied system updates in response to the Taxpayer First Act and COVID-19 updates. Applied the Core Record Layout schema changes to the RRP system.

- Implemented Phase 1 of the RRP Streamline Data Extraction (Lean Business Case 106) which includes moving the file transfer jobs from the Enterprise Informatica Platform server into a dedicated server for RRP.
- Implemented RRP Filing Season updates for Individual Master File (IMF) and Business Master File (BMF) to address changes to the filters, rules and models.

2021 Objectives:

- Implement RRP Filing Season updates for IMF and BMF to address changes to the filters, rules and models.
- Implement required software and infrastructure updates for the maintenance of the RRP system.

## Service Center Recognition/Image Processing System (SCRIPS)

### Description:

SCRIPS is a data capture, management and image storage system that uses high speed scanning and digital imaging to process the 940, 941, 943, K-1, Information Returns (IRP), and ACA-IRP paper returns and converts data to electronic format for processing downstream.

### Investment Obligations:

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.07	2.84	1.30	-1.54	-54.15%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	8.84	10.31	11.09	0.77	7.49%
Total Obligations	8.91	13.15	12.39	-0.76	-5.80%

### Purpose, Accomplishments, Future Objectives:

The Service Center Recognition/Image Processing System (SCRIPS) is a major paper input processing system specifically designed to automate the processing of Information Return Processing (IRP) forms, Schedule K-1's (Forms 1041 K-1, 1065 K-1, and 1120 K-1), Form 941 (and associated Schedules B and Schedule R), Form 940 (and associated Schedule A and Schedule R) and Form 943 Stand-alone Schedule R. SCRIPS processes Affordable Care Act (ACA)-IRP Forms 1094-x and 1095-x. SCRIPS scans and stores images of all tax documents processed, saving time by converting the scanned images and data to computer-readable code and providing hardcopy images when requested. This is accomplished using the Optical Character Recognition/Intelligent Character Recognition (OCR/ICR) engine in addition to utilizing 2-Dimensional (2D) bar code recognition which optimizes and automates data entry of the taxpayer data. SCRIPS is one of the front-end input systems that operates at three IRS Service Centers where forms are received, sorted, and then sent to the scanning areas. SCRIPS sends the electronic taxpayer data to the IRS downstream tax processing systems, including Generalized Mainline Framework (GMF) and Master File for posting to the IRS database, as well as Service-Wide Employment Tax Research System (SWETRS) and Statistics Of Income (SOI) for compliance. SCRIPS sends data to ACA Information Returns (AIR) database for Master Files. Images are archived and retained on the Enterprise Shared Storage platform. IRS Customer Service Representatives can request hard copies of images

through the Integrated Data Retrieval System (IDRS). SCRIPS will deliver legislatively mandated Tax Year Changes to keep SCRIPS up-to-date. In 2020 SCRIPS processed about 20 million forms, down from 60 million in 2019 due to the COVID-19 pandemic closures and social distancing requirements. In 2021 SCRIPS is expected to resume pre-pandemic processing levels. SCRIPS provides taxpayers fair and uniform application of the law and increases efficiency for tax processing by converting paper forms to electronic images.

#### Accomplishments and Future Objectives:

##### FY 2021:

- Deliver legislatively mandated Coronavirus Aid, Relief, and Economic Security (CARES) Act to keep SCRIPS up-to-date.
- Deploy security patches, maintenance and firmware updates.
- Deliver legislatively mandated Tax Changes to keep SCRIPS up-to-date.
- Planning of the refresh of SCRIPS server infrastructure is being planned. Considering proposals and options to leverage functionality between the Integrated Submission and Remittance Processing System (ISRP) and SCRIPS systems to improve efficiency and continue to reduce costs.
- Continue to support both Individual Master File (IMF) and Business Master File (BMF).
- Continue migration of the SCRIPS Technical Requirements Documents (TRDs) currently in Microsoft Word format to the Collaborative Lifecycle Management (CLM) system.

##### FY 2022:

- Expand Schedules K-1 core record layout to accommodate expanded fields.
- Continue migration of the SCRIPS Technical Requirements Documents (TRDs) currently in Microsoft Word format to the Rational Requirements Composer (RRC) system.
- The refresh of SCRIPS server infrastructure.
- Continue to support both Individual Master File (IMF) and Business Master File (BMF).
- Deploy security patches, maintenance and firmware updates.

## Web Applications

### **Description:**

The Web Apps program and initiatives improve interactions and communications across taxpayers, employers, the IRS, and third parties by providing a broad range of self-service options, establishing secure information exchange options, and building internal capabilities. By enabling authorized third parties and taxpayers to interact digitally with the IRS, the investment will provide a better user experience, achieve significant savings by moving some service interactions to lower cost channels, and deliver consistent data and services through reusable Application Programming Interfaces (APIs). Web Apps will transform the way the IRS does business by delivering a digital service that allows taxpayers to track and receive information they need when they need it.

**Investment Obligations:**

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	30.27	48.07	113.94	65.87	137.03%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	12.32	6.76	10.50	3.74	55.28%
Total Obligations	42.59	54.83	124.44	69.61	126.95%

**Purpose, Accomplishments, Future Objectives:**

In FY 2020, the Web Applications (Web Apps) program delivered multiple IRS Modernization Plan (Mod Plan) capabilities. The program conducted two deployments of Online Payment Agreement capabilities which provided taxpayers with the ability to view their payment plan, determine whether they are eligible to apply for a plan, and view the status of their short-term agreements within Online Account. Web Apps delivered the first release of Taxpayer Payment API with Fiscal Service (Taxpayer Payment API) which enabled taxpayers to view details for electronic payments that are pending and scheduled for future dates within Online Account. The FY 2020 Mod Plan capabilities deployed directly support the IRS mission of collecting revenue and increasing voluntary compliance as well as improving the online experience. Additionally, the program initiated work on Tax Professional Account (Tax Pro Account) capabilities, which will provide taxpayers the ability to submit and file Power of Attorney documentation using a secure online method.

For FY 2021 per the Mod Plan, Web Apps will focus on delivering a Taxpayer First Act (TFA) Section 2302 compliant release of Tax Pro Account, which will enable tax professionals and taxpayers to electronically sign and submit Power of Attorney (POA) and Tax Information Authorization. The program will deliver an additional capability for Online Payment Agreement to display eligible payment plan options and pay-off amounts to taxpayers within Online Account. Web Apps also plans to deliver a Taxpayer Payment API capability to provide taxpayers the ability to filter payment information.

For FY 2022 per the Mod Plan, Web Apps will complete infrastructure modernization that includes a transformation to a cloud-based architecture which will allow the applications to be quickly scaled to meet increasing taxpayer demand and provide more optimal user experience. For Online Payment Agreement, the program will deliver the capability to enable taxpayers to submit their short-term payment plan agreement for processing via Online Account. Web Apps will deliver Taxpayer Payment API capabilities to enable taxpayers to make a same day balance payment from their bank account within Online Account as well as additional self-service payment features. Also, Web Apps will deliver an additional Tax Pro Account capability allowing taxpayers to view/cancel pending POA and Tax Information Requests.

# Major Non-IT Investments

## Criminal Investigation Owned Vehicles

### Description:

These 53 vehicles are owned by Criminal Investigation and are used for surveillance and for the Commissioner's protective detail.

### Investment Obligations: (In Millions of \$):

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	2.47	2.78	2.88	0.10	3.60%
Total Obligations	2.47	2.78	2.88	0.10	3.60%

### Purpose, Accomplishments, Future Objectives:

These 53 vehicles are owned by Criminal Investigation and are used for surveillance and for the Commissioner's protective detail.

## Criminal Investigations Capital Assets

### Description:

This investment is managed by Criminal Investigation.

### Investment Obligations: (In Millions of \$):

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	5.58	6.47	8.28	1.82	28.08%
Total Obligations	5.58	6.47	8.28	1.82	28.08%

### Purpose, Accomplishments, Future Objectives:

This investment is managed by Criminal Investigation. These assets are used to protect CI special agents from threats and bodily injury while performing their law enforcement duties including conducting investigations concerning alleged criminal tax fraud violations, financial crimes, and other related offenses.

## Leasehold Improvements

### Description:

Leasehold Improvements managed in Agency-Wide Shared Service (AWSS).

### Investment Obligations: (In Millions of \$):

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	20.28	30.72	116.20	85.48	278.24%
Total Obligations	20.28	30.72	116.20	85.48	278.24%

### Purpose, Accomplishments, Future Objectives:

Many projects undertaken by IRS entail the design, alteration, and furnishing of space either upon acquisition, at lease renewal, or for other purposes, such as supporting space consolidation or reduction. The portion of the project that is captured as a capital asset is reflected in OMB Object Class 3200, Land and Structures, and includes alterations to buildings; fixtures such as elevators, plumbing, power-plant boilers, fire-alarm systems, lighting, heating systems, air-conditioning systems, flooring, and carpeting. The total figure is a sum of the expenditures in that object class for all IRS projects in that particular year.

## Security Equipment

### Description:

Security Equipment is managed in Facilities Management and Security Services (FMSS).

### Investment Obligations: (In Millions of \$):

Type	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 President's Budget	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	6.11	5.48	5.65	0.17	3.01%
Total Obligations	6.11	5.48	5.65	0.17	3.01%

### Purpose, Accomplishments, Future Objectives:

The IRS purchases security equipment such as cameras, digital video recorder system (DVRs), access control panels, and card readers. The IRS uses facility-specific security assessments to prioritize asset needs and develop criteria for replacing equipment in a given facility. Additionally, emergency needs arise over the course of the year. These needs are ranked and funded according to the effect the equipment has on the overall security posture. The need for equipment can arise at any time, such as when employees are moved into a new building, during internal moves, or intermittently when equipment needs to be replaced. The benefit of this capital asset investment is that it supports the IRS priority to provide a safe and secure environment for its employees, equipment, and facilities.