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June 13, 2018

The Honorable David Kautter
Acting Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Acting Commissioner Kautter:

Thank you for the opportunity to comment on the Internal Revenue Service's proposed changes to the Form 4605-T/EZ. CDIA shares the IRS' commitment to protect taxpayer Personally Identifiable Information ("PII") from bad actors and look forward to working on solutions that move the industry towards a truly integrated, secure, and automated G2B solution. We very much want to continue our relationship to meet the IRS' concerns in ways that meet consumer expectations and best practices in data security.

The Consumer Data Industry Association ("CDIA") is an international trade association, founded in 1906, of over 100 members. Our mission is to enable consumers, media, legislators and regulators to understand the benefits of the responsible use of consumer data which creates opportunities for consumers and the economy. CDIA members provide businesses with the data and analytical tools necessary to manage risk. Our members help ensure fair and safe transactions for consumers, facilitate competition and expand consumers' access to a market which is innovative and focused on their needs. CDIA member products are used in more than nine billion transactions each year.

As you know, a number of CDIA members belong to the IRS' Income and Verification Express Services ("IVES") Participants Working Group. On June 7, 2018, IRS solicited working group participants for feedback on a number of issues and this letter addresses outstanding issues associated with IVES access.

This letter makes three key points. First, the Customer File Number should accommodate 10 alpha-numeric characters, not six characters. Second, there should be a careful and thoughtful "go live" date to the changes being contemplated by the IRS. Third, we hope Customer File Number solution will be a bridge to the future.

1. The Customer File Number should accommodate 10 alpha-numeric characters, not six characters

One of the items left outstanding is the character length of a proposed Customer File Number that would be added to Form 4605-T/EZ and be used to associate partially redacted returned tax transcripts to customers. The IRS should design the Customer File Number to accommodate 10 alpha-numeric characters, not six characters.

During the first IVES Participants Working Group meeting in Covington, Kentucky in May 2018, the IRS announced plans to add a 12-character ceiling Customer File Number field to the 4605-T/EZ request form. The initially proposed ceiling of 12 characters were to be alpha numeric and self-determined. On June 7th, 2018 the IRS informed IVES users it would like to make the ceiling of the Customer File Number just six alpha numeric characters.

The industry strongly urges the IRS to design the Customer File Number to accommodate 10 alpha-numeric characters, not six. We believe a ceiling of 10 characters, with an option for vendors to use fewer characters, would allow all IVES users to continue using already established and integrated internal programs and systems to track order IDs. By limiting the Customer File Number ceiling to six characters, IRS would be requiring a subset of IVES users to invest additional time and resources to build out and code a customized system to accommodate a lower character ceiling.

In continuing our desire to move towards a fully automated system, we maintain that any manual entry regardless of length is subject to human error. However, we believe that a 10-character ceiling as opposed to a 12-character ceiling would help IRS personnel in manually keystroking Customer File Numbers more efficiently.

To ensure that IVES users, lenders and service providers can effectively operate with new proposed PII redaction, we also request that the IRS share a draft of any revised 4605-T/EZ form with the industry for review and feedback well in advance of the form being finalized.

Relatedly, we maintain that industry needs at a minimum six months from the date an agreed upon form is finalized to build, test and implement new PII redaction protocols and systems into existing operations. Additionally, implementing the new form and transaction ID process prior to redaction of any data from transcript responses would also allow a 'testing' or 'soft launch' window that would ensure all industry participants have

been able to appropriately adjust to the new requirements. The minimum six-month window would also allow time for IVES users to notify clients of the exact nature and impact of the proposed changes.

2. There should be a careful and thoughtful “go live” date to the changes being contemplated by the IRS

A. The effective date should be not earlier than January 1, 2019.

The changes proposed by the IRS are significant. To fully implement the changes to meet the expectations of the IRS, IVES participants and consumers, IVES participants will need to make program and coding changes. Since a successful move to a new system needs time for adaptation and testing, we ask that that these changes go live no sooner than January 1, 2019, some six months from now.

B. The Customer File Number solution in the new Form 4605 must be implemented in advance of the targeted implementation date.

Income and Verification Express Services participants will need time to adjust and adapt to the new system. These changes are significant and, as with the overall effective date, there must be time to adapt and test. To support an effective migration to a new system, we request that the Customer File number solution in the new Form 4605 be implemented in advance of the targeted implementation date.

3. We hope Customer File Number solution will be a bridge to the future

The Customer File number solution has a potential role to play for broader uses that could work today for the Form 4605, but could also serve as a bridge to the future as the IRS continues to adapt and evolve its privacy and data security standards. We hope that CDIA and the IVES Participants Working Group can play a role in shaping that future.

4. Conclusion

CDIA shares the IRS' commitment to protect taxpayer Personally Identifiable Information ("PII") from bad actors and look forward to working on solutions that move the industry towards a truly integrated, secure, and automated G2B solution. We very much want to continue our relationship to meet the IRS' concerns in ways that meet consumer expectations and best practices in data security.

Sincerely,

A handwritten signature in blue ink, appearing to read "EJ Ellman", with a long horizontal flourish extending to the right.

Eric J. Ellman
Senior Vice President, Public Policy and Legal Affairs