Provision 2201 Automated IVES
Independent Cost Estimate Overview
(IT input for potential W&I external communication)

Streamlining the IRS Income Verification Express Service (IVES) to fully comply with Section 2201 of H.R. 3151 - Taxpayer First Act entails both building a new information technology platform to replace today's manual Form 4506-T Request for Transcript of Tax Return processing with a fully automated system that will greatly increase the speed of transcript delivery to lenders, and ensuring that the new system complies with both IRS security and privacy requirements and National Institute of Standards and Technology (NIST) Special Publication 800-63-3 Digital Identity Guidelines, which specifies identity proofing and authentication for users of government IT systems over open networks.

Today, IRS staff manually validate approximately 12 million paper Form 4506-T transcript requests per year against taxpayer data in IRS systems, the requests comprising some 33 million pages received on facsimile machines. After successfully validating the identity of the taxpayer requesting transcript release to a lender, the employee manually accesses an IRS system to order between one and four transcripts generated and delivered to a secure online repository for lender or participant access.

The streamlined process will begin with electronic 4506-T request input, proceed through systemic identity and data validation between systems without the delay injected by human interaction, and end with a system-to-system request for transcript generation and delivery in the case of successful request validation.

Components in the early solution concept of the new system related to both automated request processing and regulatory compliance posture include the following:

- Specification, design, custom development and testing of a new system that will validate request data against internal taxpayer data in multiple systems and generate transcript requests to an additional system
- Integration with existing and emerging identity proofing mechanisms to ensure that the taxpayer requesting a transcript is who they claim to be and that the request came from that individual
- Systems including Optical Character Recognition and Robotic Process Automation to deliver incremental transcript delivery time improvements while the fully-compliant system is being designed, built, tested and delivered
- Enhancement of IRS's Internet portal to serve as the front-end of the new system for the purposes of taxpayers submitting transcript requests and lenders receiving transcripts
- Enterprise data network augmentation to support additional traffic generated by electronic transcript requests and identity validation with identity token providers (emerging technology)
- Architecture, engineering and program management support to design and timely deliver a system that will achieve specified near-real-time transcript delivery after request, while integrating with the complex IRS information technology environment
- Security activities including design reviews, code reviews, penetration testing as required, and certification activities to validate that the emerging design and delivered system comply with IRS policies for protecting taxpayer identity and data
- Processing hardware, data storage and commercial off-the-shelf (COTS) software licenses to enable system capabilities for the current volume of transcript requests
- Integration support for COTS software

Detailed capability, requirement and design work are ongoing, and the solution concept will evolve into a design and system that considers these outcomes.