PURPOSE:
Internal Revenue Service Publication (IRS) 1075 provides handling and storage guidance for Federal Tax Information (FTI). AHS is required to enact policy and procedure to ensure the confidentiality, integrity and availability of IRS FTI data, according to Publication 1075.

BACKGROUND and REFERENCES:
The State is required to maintain compliance with IRS Publication 1075 when FTI is stored and transmitted through AHS systems. This policy provides explicit guidance to meet these standards.

AHS and IRS have entered into an agreement for the AHS use of IRS data, “Computer Matching Agreement between the Department of Treasury Internal Revenue Service and the Vermont Department for Children and Families / Economic Services Division (VT DCF/ESD) for the Disclosure of Information to Federal, State, and Local Agencies (DIFSLA) Tax Years 2007-2008.” This document requires that AHS will “strictly follow the safeguards required by the IRS in protecting Federal Tax Information safeguard standards prescribed in IRS Publication 1075, Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities”.

Internal Revenue Service Publication (IRS) 1075 can be viewed at http://www.irs.gov/pub/irs-pdf/p1075.pdf. Additional policies that pertain to FTI data include the 5.03 Access Control, 5.05 Incident Response, Remote Access, 4.03 Agency Hiring Practices, 5.08 Security Assessment, 5.07 Audit and Accountability, 5.06 Change Control, Digital Media and Hardware Disposal, Data Protection, and Password Policies which can be viewed at: http://intra.ahs.state.vt.us/centralsupport/policies and http://dii.vermont.gov/Policy_Central

SCOPE:
This document applies to all Agency Departments, Divisions and Offices hereafter referred to jointly as “departments”.

STANDARDS:
Departments will remain compliant with the Publication 1075 for information systems containing FTI data.
As a result of this policy, departments that use IRS FTI data must:

- Maintain documented annual training of personnel and raise security awareness relating to responsibilities according to IRS FTI guidance for those employees whose jobs entail utilizing and processing FTI data. (IRS 1075, p. 31)
- Report all incidents, or suspected incidents relating to FTI data to the designated AHS IT Incident Response team per the AHS Incident Response Procedure (IRS 1075, p. 24) and the Agent-in-Charge, Treasury Inspector General for Tax Administration (IRS 1075, p. iii).
- Strictly limit access to FTI data to only those individuals whose jobs require such access. (IRS 1075, p.16)
- Ensure that FTI data remains physically secured and under strict control at all times. (IRS 1075, p. 13)
- Ensure that employees who have remote access to FTI over the internet use two-factor authentication. (OMB M-06-16, p. 1)
- Ensure that existing interfaces that handle FTI are documented and that no new interfaces to FTI are created or modified. (OMB M-06-16, p. 1; IRS 1075, p.22)
- Ensure system security plans, security administrator guides, and security user guides are regularly updated and that rules of behavior are followed for systems containing FTI. (IRS 1075, p. 26)
- Accredit in writing that the security controls in systems containing FTI are adequately implemented to protect FTI. (IRS 1075, p. 22)
- Ensure that any FTI being transmitted over email is encrypted. (IRS 1075, p. 70)
- Maintain overall system and data integrity of FTI data as documented in the system security plan.

**COMPLIANCE:**

It is the responsibility of the individual departments to ensure dissemination and review of this policy to all employees within their organizations and other associates as appropriate. Departments shall submit an annual report to the AHS Security Director describing compliance with this policy.

**ENFORCEMENT:**

The Office of the Secretary may initiate reviews, assessments or other means to ensure that policies, guidelines or standards are being followed.