

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****Privacy Act of 1974, as Amended;  
System of Records**

**AGENCY:** Internal Revenue Service, Treasury.

**ACTION:** Notice of proposed new privacy act system of records.

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Department of the Treasury, Internal Revenue Service, gives notice of a proposed new system of records entitled "Treasury/IRS 22.012—Health Coverage Tax Credit Program Records."

**DATES:** Comments must be received no later than July 7, 2003. This new system of records will be effective July 14, 2003, unless the IRS receives comments, which would result in a contrary determination.

**ADDRESSES:** Comments should be sent to the Office of Governmental Liaison and Disclosure, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224. Comments will be made available for inspection and copying upon request in the Freedom of Information Reading Room (1621), at the above address.

**FOR FURTHER INFORMATION CONTACT:** Ed Reniker, HCTC Program Manager, Union Center Plaza (CNN Building) 820 First Street, NE., Washington, DC, (202) 962-0540 (not a toll free number).

**SUPPLEMENTARY INFORMATION:** This system of records is for implementation of health coverage tax credit provisions of sections 201 and 202 of Public Law 107-210, Trade Act of 2002. The proposed system will allow the IRS to administer the health care credit provisions of Public Law 107-210.

The Health Coverage Tax Credit (HCTC) is a federal tax credit that equals 65 percent of the premium paid by eligible individuals for "qualified" health coverage. Sections 201 and 202 of The Trade Act of 2002 created the credit to help pay for private health coverage for two categories of persons: (1) Displaced workers certified to receive certain Trade Adjustment Assistance (TAA) benefits and (2) individuals receiving benefits from the Pension Benefit Guaranty Corporation (PBGC). The HCTC can also be used to help purchase health coverage for an eligible individual's spouse and family members that can be claimed on the individual's tax return as dependents.

The IRS is responsible for administering the HCTC program in

cooperation with the Department of the Treasury. It is anticipated that a broad range of HCTC information and services will be provided by the IRS" contractor at the Customer Contact Center located in Waterloo, IA. HCTC financial and accounting operations will be performed by the IRS" contractor at the HCTC Delivery Center located in Houston, TX.

The new system of records report, as required by 5 U.S.C. 552a(r) of the Privacy Act, has been submitted to the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Office of Management and Budget, pursuant to Appendix I to OMB Circular A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," dated November 30, 2000.

The proposed new system of records entitled "Treasury/IRS 22.012—Health Coverage Tax Credit Program Records," is published in its entirety below.

Dated: May 29, 2003.

**W. Earl Wright Jr.,**

*Chief Management and Administrative Programs Officer.*

**Treasury/IRS 22.012****SYSTEM NAME:**

Health Coverage Tax Credit Program Records-Treasury/IRS.

**SYSTEM LOCATION:**

(1) IRS Martinsburg Computing Center (MCC) in Martinsburg, WV; (2) Production System located in Sterling, VA; (3) Customer Contact Center located in Waterloo, IA; (4) HCTC Delivery Center located in Houston, TX; (5) HCTC Program Office in Washington DC.

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

Individuals who apply for, and are eligible for the credit.

**CATEGORIES OF RECORDS IN THE SYSTEM:**

Records required to administer the Health Coverage Tax Credit program.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

Sections 201 and 202 of Public Law 107-210, The Trade Act of 2002, codified at 26 U.S.C. 35, 6103(l)(18) and 7527, Credit for Health Insurance Cost of Eligible Individuals, and the Department of the Treasury, under Title II, grants authority for maintenance of the HCTC system.

**PURPOSE(S):**

The purpose is to administer the health care credit provisions of sections 201 and 202 of Public Law 107-210, Trade Act of 2002. The program assists

in the payment for private health coverage for displaced workers certified to receive certain Trade Adjustment Assistance (TAA) benefits, and for individuals receiving benefits from the Pension Benefit Guaranty Corporation (PBGC) and their qualifying family members.

**ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:**

Information may only be disclosed as provided by 26 U.S.C. 6103.

**POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:****STORAGE:**

Paper, electronic and magnetic media.

**RETRIEVABILITY:**

By name, taxpayer identification number, health care insurance policy number.

**SAFEGUARDS:**

Access controls will not be less than those provided for by the Manager's Security Handbook, IRM 1.16 and the Automated Information System Security Handbook, IRM 25.10.2.

**RETENTION AND DISPOSAL:**

Record retention will be established in accordance with the National Archives and Records Administration Regulations Part 1228, Subpart B-Scheduling Records.

**SYSTEM MANAGER(S) AND ADDRESS:**

HCTC Program Manager, Union Center Plaza (CNN Building), 820 First Street, NE., Washington, DC., (202) 962-0540 (not a toll free number).

**NOTIFICATION PROCEDURE:**

Individuals may inquire in accordance with instructions appearing at 31 CFR part 1, subpart C, appendix B. Inquiries should be addressed to the system manager address listed above.

**RECORD ACCESS PROCEDURES:**

Individuals seeking access to any record contained in this system of records or seeking to contest its contents, may inquire in accordance with instructions appearing at 31 CFR part 1, subpart C, appendix B. Inquiries should be addressed to the system manager address listed above.

**CONTESTING RECORD PROCEDURES:**

26 U.S.C. 7852(e) prohibits Privacy Act amendment of tax records.

**RECORD SOURCE CATEGORIES:**

Individuals Eligible under HCTC program; Internal Revenue Service Taxpayer Account Information; Health

Coverage Providers; Department of  
Labor; Pension Benefit Guaranty  
Corporation; State workforce agencies,

and the Department of Health and  
Human Services.

**EXEMPTIONS CLAIMED FOR THE SYSTEM:**

None.

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