

DC 20220. All written comments will be made available to the public.

**Records:** Records are being kept of Advisory Panel proceedings and will be available at the Internal Revenue Service's FOIA Reading Room at 1111 Constitution Avenue, NW., Room 1621, Washington, DC 20024. The Reading Room is open to the public from 9 a.m. to 4 p.m., Monday through Friday except holidays. The public entrance to the reading room is on Pennsylvania Avenue between 10th and 12th streets. The phone number is (202) 622-5164 (not a toll-free number). Advisory Panel documents, including meeting announcements, agendas, and minutes, will also be available on <http://www.taxreformpanel.gov>.

Dated: October 7, 2005.

**Mark S. Kaizen,**

*Designated Federal Officer.*

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**BILLING CODE 4811-33-P**

## DEPARTMENT OF THE TREASURY

### Financial Management Service

#### Privacy Act of 1974, as Amended; System of Records

**AGENCY:** Financial Management Service, Treasury.

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

**SUMMARY:** In accordance with the Privacy Act of 1974, as amended, the Financial Management Service gives notice of a proposed new Privacy Act system of records entitled "Treasury/FMS .006-Direct Deposit Enrollment Records."

**DATES:** Comments must be received no later than November 14, 2005. The proposed new system of records will become effective November 21, 2005 unless comments are received which would result in a contrary determination.

**ADDRESSES:** You should send your comments to Tom Longnecker, Disclosure Officer, Financial Management Service, 401 14th Street, SW., Washington, DC 20227. Comments received will be available for inspection at the same address between the hours of 9 a.m. and 4 p.m. Monday through Friday. You may send your comments by electronic mail to [tom.longnecker@fms.treas.gov](mailto:tom.longnecker@fms.treas.gov) or [regulations.gov](http://www.regulations.gov).

**FOR FURTHER INFORMATION CONTACT:** Tom Longnecker, Disclosure Officer, (202) 874-6837.

**SUPPLEMENTARY INFORMATION:** Pursuant to the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Financial Management Service (FMS) is proposing to establish a new system of records entitled "Direct Deposit Enrollment Records—Treasury/FMS .006." FMS, a bureau within the Department of the Treasury, is responsible for disbursing public money. Making payments by electronic funds transfer (EFT), rather than by paper check, benefits both recipients and the Government. Agency records indicate that recipients are 30 times less likely to have a problem with an electronic payment than with a paper check. Unlike check payments, electronic payments are not susceptible to being lost, stolen, or damaged in transit. Electronic payments are far less susceptible to forgery or alteration than checks. Further, EFT payments are less costly than checks. The Government saves approximately 62 cents for each payment made electronically, rather than by check.

Over the past three decades, Treasury has developed numerous programs to enable agencies to make EFT payments. One of these programs, known as "Direct Deposit," is used by FMS to transmit benefit payments, as well as wage, salary, retirement, allotment, and travel payments, directly to the recipient's account at a bank, credit union, or other financial institution.

In 2003, FMS disbursed about 74% of more than 929 million Federal payments through EFT, rather than by paper check. FMS continues to implement various programs to increase the number of payments made by EFT. Among other things, FMS intends to increase the use of Direct Deposit throughout the United States and to expand the ways in which Federal payees may request Direct Deposit for Government payments.

FMS intends to increase the use of Direct Deposit with the assistance of FMS's fiscal agents (the Federal Reserve Banks), contractors, and various community groups. At various information sessions and meetings around the country, Federal benefit recipients will be offered the opportunity to enroll in Direct Deposit or be provided with assistance in completing the Direct Deposit enrollment application. Currently, a payee who wishes to sign up for Direct Deposit must enroll through his or her financial institution or by contacting the Federal agency that authorizes the benefit or other type of payment to the payee. As part of its efforts to increase the use of Direct Deposit, FMS and/or its fiscal agents and contractors will

directly receive Direct Deposit enrollment applications for processing.

The records covered by the proposed system are necessary to process Direct Deposit enrollment applications that may be received directly by FMS, its fiscal agents, and/or contractors. The records are collected and maintained to ensure that Direct Deposit enrollment applications are processed correctly in order to minimize any risk that a recipient's Federal payment will be disbursed to the wrong account. In order to process a Direct Deposit application, a payee needs to submit his or her name, address, social security number, financial institution account information, and information about the type of benefit paid to the payee by the Government. Without such information, FMS, its fiscal agents and contractors, would not be able to process the Direct Deposit enrollment application as requested by the individual authorizing the Direct Deposit enrollment.

In addition to the purposes cited above, the information contained in the covered records will be used for collateral purposes related to the processing of Direct Deposit enrollments, such as collection of statistical information on operations, development of computer systems, investigation of unauthorized or fraudulent activity, and the collection of debts arising out of such activity.

Thus, the information contained in the records covered by FMS's proposed system of records is necessary to accurately process Direct Deposit enrollment applications.

FMS recognizes the sensitive nature of the confidential information it obtains when collecting financial institution account information from the public and has many safeguards in place to protect the information from theft or inadvertent disclosure. When appropriate, FMS's arrangements with its fiscal agents and contractors include requirements that preclude them from retaining, disclosing, and using for other purposes the information received from Direct Deposit enrollment applications. In addition to various procedural and physical safeguards, access to computerized records is limited, through the use of access codes, encryption techniques and/or other internal mechanisms. Access to records is granted only as authorized by a business line manager at FMS or FMS's fiscal agent to those whose official duties require access solely for the purposes outlined in the proposed system. The information in the Direct Deposit Enrollment Records system will allow the public to enjoy the benefits of Direct Deposit while lowering costs to

the Government and minimizing the risks of improper payments, thefts, fraudulent transactions, and the loss of public funds.

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.

For the reasons set forth in the preamble, FMS proposes a new system of records Treasury/FMS .006—Direct Deposit Enrollment Records, which is published in its entirety below.

Dated: October 3, 2005.

**Sandra L. Pack,**

*Assistant Secretary for Management and Chief Financial Officer.*

#### Treasury/FMS .006

##### SYSTEM NAME:

Direct Deposit Enrollment Records—Treasury/Financial Management Service.

##### SYSTEM LOCATION:

Records are located at the Federal Reserve Bank, acting in its capacity as Treasury's fiscal agent, 2200 North Pearl Street, Dallas, Texas 75201.

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

Individuals who enroll with the FMS to receive Federal payments from the Federal Government via an electronic funds transfer program known as "Direct Deposit."

##### CATEGORIES OF RECORDS IN THE SYSTEM:

The records may contain identifying information, such as an individual's name(s), social security number, home address, home and work telephone number, and personal e-mail address (home and work); information about an individual's bank account(s) and other types of accounts to which payments are made, such as the individual's bank account number and the financial institution routing and transit number; information about an individual's payments received from the United States, including the type of payment received and the Federal agency responsible for authorizing the payment.

##### AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 U.S.C. 301; 31 U.S.C. 321; 31 U.S.C. chapter 33; 31 U.S.C. 3332.

##### PURPOSE(S):

The purpose of this system is to maintain records about individuals who wish to enroll in the Direct Deposit program in order to receive Federal payments directly to a bank account or other similar type of account via electronic funds transfer, rather than by paper check.

The records are used to process Direct Deposit enrollment applications that may be received directly by FMS, its fiscal agents, and/or contractors. The records are collected and maintained to guarantee that Direct Deposit enrollment applications are processed properly to ensure that a recipient's Federal payment will be disbursed to the correct account. Without the appropriate information, FMS, its fiscal agents and contractors, would not be able to process the Direct Deposit enrollment application as requested by the individual authorizing the Direct Deposit.

The information will also be used for collateral purposes related to the processing of Direct Deposit enrollments, such as collection of statistical information on operations, development of computer systems, investigation of unauthorized or fraudulent activity, and the collection of debts arising out of such activity.

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

These records may be used to disclose information to:

(1) Appropriate Federal, State, local or foreign agencies responsible for investigating or prosecuting the violation of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where the disclosing agency becomes aware of a potential violation of civil or criminal law or regulation.

(2) A court, magistrate, or administrative tribunal, in the course of presenting evidence, including disclosures to opposing counsel or witnesses, for the purpose of civil discovery, litigation, or settlement negotiations or in response to a subpoena, where relevant or potentially relevant to a proceeding, or in connection with criminal law proceedings.

(3) A congressional office in response to an inquiry made at the request of the individual to whom the record pertains.

(4) Fiscal agents, financial agents, financial institutions, and contractors for the purpose of processing Direct Deposit enrollment applications, including, but not limited to, processing Direct Deposit enrollment forms and

implementing programs related to Direct Deposit; investigating and rectifying possible erroneous information; creating and reviewing statistics to improve the quality of services provided; conducting debt collection services for debts arising from Direct Deposit activities; or developing, testing and enhancing computer systems.

(5) Federal agencies, their agents and contractors for the purposes of facilitating the processing of Direct Deposit enrollment applications and the implementation of programs related to Direct Deposit.

(6) Federal agencies, their agents and contractors, credit bureaus, and employers of individuals who owe delinquent debt for the purpose of garnishing wages, only when the debt arises from the unauthorized or improper use of the Direct Deposit program. The information will be used for the purpose of collecting such debt through offset, administrative wage garnishment, referral to private collection agencies, litigation, reporting the debt to credit bureaus, or for any other authorized debt collection purpose.

(7) Financial institutions, including banks and credit unions, for the purpose of disbursing payments and/or investigating the accuracy of information required to complete transactions using Direct Deposit and for administrative purposes, such as resolving questions about a transaction.

(8) Representatives of the National Archives and Records Administration (NARA) who are conducting records management inspections under authority of 44 U.S.C. 2904 and 2906.

##### DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Debt information concerning a government claim against a debtor when the debt arises from the unauthorized use of Direct Deposit is also furnished, in accordance with 5 U.S.C. 552a(b)(12) and 31 U.S.C. 3711(e), to consumer reporting agencies, as defined by the Fair Credit Reporting Act, 5 U.S.C. 1681(f), to encourage repayment of a delinquent debt.

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

Records are maintained in paper and electronic media.

##### RETRIEVABILITY:

Records are retrieved by name, social security number, telephone number, transaction identification number, or other alpha/numeric identifying information.

**SAFEGUARDS:**

All official access to the system of records is on a need-to-know basis only, as authorized by a business line manager at FMS or FMS's fiscal agent. Procedural and physical safeguards, such as personal accountability, audit logs, and specialized communications security, are utilized. Each user of computer systems containing records has individual passwords (as opposed to group passwords) for which he or she is responsible. Thus, a security manager can identify access to the records by user. Access to computerized records is limited, through use of access codes, encryption techniques, and/or other internal mechanisms, to those whose official duties require access. Storage facilities are secured by various means such as security guards, badge access, and locked doors with key entry.

**RETENTION AND DISPOSAL:**

Electronic and paper records for enrollments and associated transactions will be retained for six (6) months or as otherwise required by statute or court order. Records in electronic media are electronically erased using industry-accepted techniques, and in accordance with applicable Financial Management Service policies regarding the retention and disposal of fiscal agency records. Paper records are destroyed in accordance with fiscal agency archive and disposal procedures and applicable Financial Management Service policies regarding the retention and disposal of fiscal agency records.

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

EFT Strategy Division, Federal Finance, Financial Management Service, 401 14th Street, SW., Washington, DC 20227.

**NOTIFICATION PROCEDURE:**

Inquiries under the Privacy Act of 1974, as amended, shall be addressed to the Disclosure Officer, Financial Management Service, 401 14th Street, SW., Washington, DC 20227. All individuals making inquiries should provide with their request as much descriptive matter as is possible to identify the particular record desired. The system manager will advise as to whether FMS maintains the records requested by the individual.

**RECORD ACCESS PROCEDURES:**

Individuals requesting information under the Privacy Act of 1974, as amended, concerning procedures for gaining access to or contesting records should write to the Disclosure Officer. All individuals are urged to examine the rules of the U.S. Department of the

Treasury published in 31 CFR part 1, subpart C, and appendix G, concerning requirements of this Department with respect to the Privacy Act of 1974, as amended.

**CONTESTING RECORD PROCEDURES:**

See "Record access procedures" above.

**RECORD SOURCE CATEGORIES:**

Information in this system is provided by the individual on whom the record is maintained (or by his or her authorized representative), other persons who electronically authorize payments from the Federal government, Federal agencies responsible for authorizing payments, Federal agencies responsible for disbursing payments, and Treasury fiscal agents that process Direct Deposit enrollment applications, and contractors.

**EXEMPTIONS CLAIMED FOR THE SYSTEM:**

None.

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**DEPARTMENT OF THE TREASURY****Internal Revenue Service****Proposed Collection; Comment Request for Form 13704**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Form 13704, Health Coverage Tax Credit Registration Update Form.

**DATES:** Written comments should be received on or before December 12, 2005, to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6516, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the form and instructions should be directed to R. Joseph Durbala, (202) 622-3634, at Internal Revenue Service, room 6516, 1111 Constitution

Avenue NW., Washington, DC 20224, or through the Internet at [RJoseph.Durbala@irs.gov](mailto:RJoseph.Durbala@irs.gov).

**SUPPLEMENTARY INFORMATION:**

*Title:* Health Coverage Tax Credit Registration Update Form.

*OMB Number:* 1545-1954.

*Form Number:* 13704.

*Abstract:* Internal Revenue Code Sections 35 and 7527 enacted by public law 107-210 (see attachment) require the Internal Revenue Service to provide payments of the HCTC to eligible individuals beginning August 1, 2003. The IRS will use the Registration Update Form to ensure, that the processes and communications for delivering these payments help taxpayers determine if they are eligible for the credit and understand what they need to do to continue to receive it.

*Current Actions:* There is no change in the paperwork burden previously approved by OMB. This form is being submitted for renewal purposes only.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Individuals and Households, Federal Government, State and Local or Tribal Government.

*Estimated Number of Respondents:* 2,200.

*Estimated Time Per Respondent:* 30 minutes.

*Estimated Total Annual Burden Hours:* 1,100.

*The following paragraph applies to all of the collections of information covered by this notice:*

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of