

DEPARTMENT OF REVENUE  
TAX COMPLIANCE  
EXAMINATION DIVISION

Program Records Retention and Disposition Schedule

The Program Records Retention and Disposition Schedule and retention periods governing the records series listed herein are hereby approved. In accordance with the provisions of Chapters 121 and 132 of the General Statutes of North Carolina, it is agreed that the records of the

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do not and will not have further official use or value for administrative, research, or reference purposes after the respective retention periods specified herein. The N.C. Department of Cultural Resources consents to the destruction or other disposition of these records in accordance with the retention and disposition instructions specified in this schedule. However, records subject to audit or those legally required for ongoing official proceedings must be retained until released from such audits or official proceedings, notwithstanding the instructions of this schedule.

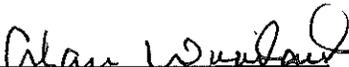
The Department of Revenue and the Department of Cultural Resources agree that certain records series have minimal administrative, reference, or historical value. When the custodian of any official State records certifies to the Department of Cultural Resources that such records have no further use or value for official and administrative business and when the Department certifies that such records appear to have no further use or value for research or reference, then such records may be destroyed or otherwise disposed of by the agency having custody of them. As part of its program operations the Department of Revenue agrees to establish and enforce internal policies. The policy will specify how long those records must be retained and when they must be destroyed.

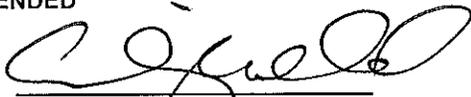
E-mail messages sent or received by Executive Branch agencies shall be retained for 10 years pursuant to Executive Order No. 18 (issued July 7, 2009 by Governor Beverly Perdue) and as set forth in G1 of the General Schedule for State Agency Records. Any E-mail messages requiring retention longer than 10 years, including those with permanent historical value, shall be designated with specific retention periods in this program records schedule. Public records including electronic records not listed in this schedule or in the *General Schedule for State Agency Records* are not authorized to be destroyed. The

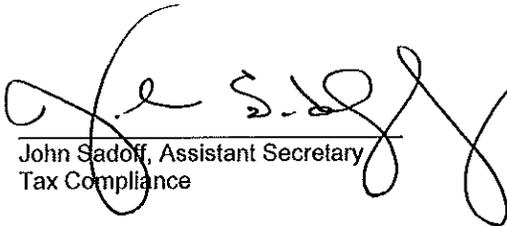
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agrees to destroy, transfer or dispose of records in the manner and at the times specified herein. This schedule is to remain in effect until superseded.

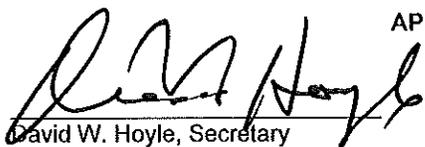
APPROVAL RECOMMENDED

  
Alan Woodard, Director  
Examination Division

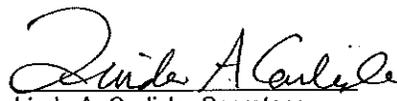
  
Cindy D. Mallard  
Chief Records Officer and Director  
Documents and Payments Processing Division

  
John Sadoff, Assistant Secretary  
Tax Compliance

  
David Brook, Director  
Division of Historical Resources

  
David W. Hoyle, Secretary  
Department of Revenue

APPROVED

  
Linda A. Carlisle, Secretary  
Department of Cultural Resources

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**ITEM 49630. 1099NT DATABASE (ELECTRONIC) FILE.** Electronic records concerning information not recognizable during scanning process and requiring manual data entry of information into database. Fields include sellers and buyers names, taxpayer identification numbers, property deed information, gross sales prices, and other related information. (Information populated into this database from the Non-Resident Sale of Property Form (1099 NRS) File (Item 49656).) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49631. AMENDED RETURNS TRACKING DATABASE (ELECTRONIC) FILE.** Electronic records used to track taxpayers' amended returns and the Department's responses to amended returns. Fields include taxpayer names, identification numbers, amounts requested, amounts allowed, dates deemed denied, and other related data. (Information is entered into database immediately upon receipt of information from taxpayer.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49632. ANNUAL WITHHOLDING RECONCILIATION (NC3) DATABASE (ELECTRONIC) FILE.** Electronic records concerning non-filers identified based on employer NC3 reporting information. Fields includes taxpayers social security numbers, taxpayer names and addresses, tax years, employer's amount of W2 wages paid, amount NC income tax withheld, and other related information. Products generated from data include substitute returns, non-filer letters, closure letter and reports for assessment results based on specific criteria. (Information downloaded into system from taxpayers' employers.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

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**ITEM 49633. AUDIT DATA REPORTS (ADR) FILE.** Reports concerning an auditor's (or an office's) audit yield, direct audit hours, and other related records. (Reports can be printed on-demand from the Audit Data Reports Tracking Database (Electronic) File (Item 49634).) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

DISPOSITION INSTRUCTIONS: Destroy in office when reference value ends.

**ITEM 49334. AUDIT DATA REPORTS TRACKING DATABASE (ELECTRONIC) FILE.** Electronic records concerning statistical data involving completed audits conducted by Field Offices. Data fields include taxpayer names, tax schedule numbers, total tax assessments, direct audit hours, audit periods, and other related data. (Information entered into the Audit Data Reports (ADR) File (Item 49633).) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

DISPOSITION INSTRUCTIONS: Destroy in office when reference value ends.

**ITEM 49635. AUDIT FILE.** Records created by an auditor containing a copy of the audit findings. File includes copies of audit reports, working papers, taxpayer correspondence, copies of tax returns, invoices, checks and other support documentation, documents logs, audit checklist, and other related records. (Information entered in the Amended Returns Tracking Database (Electronic) File (Item 49631) immediately upon receipt.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

DISPOSITION INSTRUCTIONS: Retention of e-mail records in this series is governed by G1 of the General Schedule for State Agency Records, which requires that e-mail be retained for 10 years pursuant to Executive Order No. 18 issued July 7, 2009 by Governor Beverly Perdue. Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

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**ITEM 49636. AUDIT REFERRALS FILE.** Audit referrals from other audit districts or divisions for distribution to the appropriate field office. Forms include taxpayer names, social security numbers, federal identification numbers, addresses, phone numbers, Information Tax Administration System (ITAS) account numbers, reason for referral, and other related information. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Retention of e-mail records in this series is governed by G1 of the General Schedule for State Agency Records, which requires that e-mail be retained for 10 years pursuant to Executive Order No. 18 issued July 7, 2009 by Governor Beverly Perdue. Destroy in office remaining records 4 years from date of receipt, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49637. BUSINESS SALES AND USE CLAIMS FOR REFUNDS DATABASE (ELECTRONIC) FILE.** Electronic records concerning claims for refunds received and processed. Fields include taxpayer account numbers, social security numbers, names of taxpayers, tax years, and other related data used to track processed claims. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**Item 49638. CHEROKEE FILE.** Electronic records used to verify if Cherokee Indians are eligible to exclude income. Fields include social security numbers, names, and other related information. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Update in office routinely. Retain in office permanently.

**ITEM 49639. CORRESPONDENCE (NON-TAX LIABILITIES) FILE.** Correspondence concerning program activities, rulings and decisions regarding non-tax liabilities of taxpayers. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office when superseded or obsolete.

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**ITEM 49640. DOWNLOADED FILES FROM TAXPAYERS DATABASE (ELECTRONIC) FILE.**

Electronic records in multiple media format concerning information provided by taxpayers to auditors for conducting audits. (Information entered into this database from the Audit Data Reports Tracking Database (Electronic) File (Item 49634).) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49641. EXCEPTIONS REPORTS (BILLS AND REFUND REQUESTS) FILE.** Reports generated from Integrated Tax Administration System (ITAS) of all tax schedules that lists bills and refunds that are approved by users, but are not generated due to an exception reason such as suppression. (Reports are printed on demand from ITAS.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office when reference value ends.

**ITEM 49642. FEDERAL SCHEDULE A AND SCHEDULE C DATABASE (ELECTRONIC) FILE.**

Electronic records concerning federal schedule A and C deductions claimed on individual income tax returns used to select and assign audits. Fields include taxpayer names, social security numbers, deductions claimed on Federal schedules A and C, and other related data. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49643. FIELD AUDITOR'S EXPENSE REPORTS (REFERENCE) FILE.** Reference copies of reports that reflect an auditor's monthly expenses. Reports include descriptions of travel, origination and destination sites, miles traveled, mileage expenses, airfares, lodging fees, parking fees, and other related reimbursement expenses. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office when reference value ends.

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**ITEM 49644. FILM CREDIT DATABASE (ELECTRONIC) FILE.** Electronic records concerning film credit refund claims filed with the Department. Fields include taxpayer identification numbers, address, dates requests were received, types of tax schedules, amounts refunded, money spent on goods and services in the state, sources of funding, names of auditors assigned to cases, and other related information. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

DISPOSITION INSTRUCTIONS: Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49645. FRAUDULENT PREPARED RETURNS DATABASE (ELECTRONIC) FILE.** Electronic records concerning potential fraudulently prepared individual income tax returns used to assign audits, issue letters to taxpayers and summarize audit results. Fields include taxpayer names, deductions claimed on tax returns, and other related data. (Database is populated from the Preparer Case Database (Electronic) File (Item 49658).) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

DISPOSITION INSTRUCTIONS: Update in office routinely. Retain in office permanently.

**ITEM 49646. GROUP COWET CALENDAR DATABASE (ELECTRONIC) FILE.** Electronic records concerning information imported from employees in each work group for allocation of time worked and time sheets. Fields include employee names, social security numbers, daily time allocation, record of leave earned/taken, and other related data. (Information uploaded into this database from the Individual Calendar of Work Database (Electronic) File (Item 49648).) (Comply with applicable provisions of G.S. 126-22 regarding confidentiality of personnel records and G.S. 132-1.2 (2) regarding confidentiality of social security numbers.)

DISPOSITION INSTRUCTIONS: Destroy in office after 5 years if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49647. GROUP COWET CALENDAR REPORTS (REFERENCE) FILE.** Reports listing amounts of work allocated to each work group. Reports include auditor's time allocations for leave, performing administrative duties, attending meetings, auditing various projects, conducting research, and other related topics. (Reports are generated on demand from the Group Cowet Calendar Database (Electronic) File (Item 49646).) (Comply with applicable provisions of G.S. 126-22 regarding confidentiality of personnel records.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

DISPOSITION INSTRUCTIONS: Destroy in office when reference value ends.

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**ITEM 49648. INDIVIDUAL GROUP CALENDARS OF WORK DATABASE (ELECTRONIC)**

**FILE.** Electronic records concerning allocation of work assigned to individual employees. Fields include employees' personal information (names, social security numbers, addresses, etc.), day-by-day allocations of work, audit processing information, record of leave balances, and other related information. (Comply with applicable provisions of G.S. 126-22 regarding confidentiality of personnel records, G.S. 132-1.2 (2) regarding confidentiality of social security numbers, and G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

**DISPOSITION INSTRUCTIONS:** Destroy in office after 5 years if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49649. INDIVIDUAL CALENDARS OF WORK REPORTS (REFERENCE) FILE.**

**Reports** concerning allocation of work assigned to individual employees. Reports include employees' personal information (names, addresses, etc.), day-by-day allocations of work, audit-processing information, record of leave balances, and other related information. (Reports are generated on demand from the Individual Calendars of Work Database (Electronic) File (Item 49648).) (Comply with applicable provisions of G.S. 126-22 regarding confidentiality of personnel records and G.S. 132-1.2 (2) regarding confidentiality of social security numbers and applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

**DISPOSITION INSTRUCTIONS:** Destroy in office when reference value ends.

**ITEM 49650. INDIVIDUAL MASTER FILE (IMF) DATABASE (ELECTRONIC) FILE.**

**Electronic** records concerning non-filers identified using federal individual income tax returns reporting information. Fields includes taxpayer social security number, taxpayer name, address, tax year, federal income tax return information. (Database allows auditor input for tracking of audits (date and total dollars assessed) and/or disposition of case, notes regarding contact with taxpayer, date non-filer letter was sent to taxpayer, etc. Outputs generated from data include substitute returns, letters to non-filers, closure letters, and reports for assessment results based on specific criteria.) (Information received quarterly from Internal Revenue Service.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 5 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

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**ITEM 49651. INTERNAL REVENUE SERVICE (IRS) LOGS FILE.** Logs used to track federal information received from and/or transferred to the Internal Revenue Service (IRS). Logs also track destruction of federal income tax information received from the IRS, such as Transcript Delivery System (TDS) transcripts. Log also tracks the transferring of information between Department of Revenue (DOR) employees. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

**DISPOSITION INSTRUCTIONS:** Destroy in office after 5 years if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49652. INTERNAL REVENUE SERVICE (IRS) TRANSCRIPT DELIVERY SYSTEM REQUESTS FILE.** Requests received for federal tax information from the Internal Revenue Service (IRS) Transcript Delivery System. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.) (Information entered into the IRS Transcript Delivery System Database (Electronic) File (Item 49654) immediately upon receipt.)

**DISPOSITION INSTRUCTIONS:** Destroy in office after 5 years and after complying with retention provisions specified in IRS Publication 1075, applicable memorandums of understanding, and after released from all IRS and Departmental audits.

**ITEM 49653. INTERNAL REVENUE SERVICE FEDERAL / STATE DATA EXCHANGE PROCESS FILE.** Records concerning the data exchange process between the Internal Revenue Service (IRS) and the Department. File includes reference copies of Memorandums of Understanding (MOU), data exchange agreements, requests for federal tax information, confirmations of receipt of federal tax information, records to support state tax information requested and provided to the IRS, data exchange reports, and other related records. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office agreements and Memorandums of Understanding (MOU) when superseded or obsolete and remaining records after 5 years if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

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**ITEM 49654. INTERNAL REVENUE SERVICE (IRS) TRANSCRIPT DELIVERY SYSTEM (TDS) TRANSCRIPTS FILE.** Transcripts received from the Internal Revenue Service (IRS) concerning personal taxpayer's information. Transcripts include personal taxpayer information (social security numbers, summaries of wages and incomes, IRS audit changes, and IRS audit changes, and other related income tax information.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 120 days after released from all audits and accounts are resolved, if no litigation, claims, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49655. INVENTORY REPORTS FILE.** Reports of work outstanding at the end of each month covering items pending review, assignments for various audit projects, and status of work in progress and used in the planning and scheduling of work assignments. Reports are also used to determine the status of work in progress and for planning. (Work in progress hours are used in the computation of total audit hours used to evaluate auditors.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office when superseded or obsolete.

**ITEM 49656. NON-RESIDENT SALE OF PROPERTY (NRS 1099) DATABASE (ELECTRONIC) FILE.** Electronic records concerning the sale of real property in North Carolina for non-residents. Database is used for case assignments, case dispositions, and tracking of assessments. Fields include taxpayer reference number automatically assigned when entered into database, taxpayer identification number (Social Security Number (SSN) or Federal Identification Number (FID), taxpayer names, addresses, property data, and other related information. (Source information keyed into Integrated Tax Administration System (ITAS) from other divisions of Department.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49658. PREPARER CASE DATABASE (ELECTRONIC) FILE.** Electronic records concerning potential fraudulently prepared individual income tax returns used to populate the Fraudulent Prepared Returns Database. Fields include names of taxpayers, social security numbers, deductions claimed on tax returns, and other related data. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Update in office routinely. Retain in office permanently.

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**ITEM 49659. REFERRALS DATABASE (ELECTRONIC) FILE.** Electronic records concerning referrals of potential audit candidates. Fields include taxpayers' names, taxpayer identification numbers, referral sources, and other related data. (Information entered into this database from the Audit Referrals File (Item 49636).) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Destroy in office 4 years from date of receipt, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49660. REFUND CLAIMS FILE.** Records in paper and electronic formats, including e-mail, created by auditor concerning reviews of claims for refunds of various tax types. File includes Claim for Refund forms, correspondence, copies of tax returns, invoices, checks, document logs, audit checklists, and other related records needed by auditors. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Retention of e-mail records in this series is governed by G1 of the General Schedule for State Agency Records, which requires that e-mail be retained for 10 years pursuant to Executive Order No. 18 issued July 7, 2009 by Governor Beverly Perdue. Destroy in office remaining records 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49661. REFUND CLAIMS TRACKING DATABASE (ELECTRONIC) FILE.** Electronic records concerning tracking of taxpayer's refund requests and the Department's response. Fields include taxpayers' names, identification numbers, period beginning dates, tax types, refund amounts, and other related records. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

**DISPOSITION INSTRUCTIONS:** Update in office routinely and destroy in office 4 years after date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

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**ITEM 49662. RETURNS REVIEWED REPORTS (REFERENCE) FILE.** Reports produced by auditors that list total returns audited or not adjusted, based on review of returns and total dollars assessed for identified period. Reports included taxpayer identification information, amounts assessed, tax year, and other related records. (Reports are generated on-demand from the Returns Reviewed Database (Electronic) File (Item 49663).) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

DISPOSITION INSTRUCTIONS: Destroy in office when reference value ends.

**ITEM 49663. RETURNS REVIEWED DATABASE (ELECTRONIC) FILE.** Electronic records concerning assessment results entered by auditors for tracking audits processed based on various queries. Fields include dates of audits, queries for audit identification, indicators for audit changes or no changes, dollar amounts of assessment. (Information on reports is produced by auditors and list total number of returns audited or not adjusted based on review of returns and total dollars assessed for identified period.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

DISPOSITION INSTRUCTIONS: Destroy in office 4 years after completion of audit and date of audit report, if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.

**ITEM 49664. REVIEW ITEMS REPORTS (REFERENCE) FILE.** Weekly reports summarizing all Integrated Tax Administration System (ITAS) schedules pending or completed review of items by account type. Reports include names of ITAS schedules; review item criteria/codes; total number of review items outstanding, reviewed, or added; lists of item transactions that do not have a bill, refund, or credit pending, other related information. (Names of reports generated on demand from ITAS include: Review Items Purge Reports, Unique Review Items Reports, Management Summary Review Items Reports, Review Item Aging Reports, New Review Items Reports, Case Fragmented Assessment Reports, and other related reports.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

DISPOSITION INSTRUCTIONS: Destroy in office when reference value ends.

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**ITEM 49665. STATISTICAL PRODUCTION AND INVENTORY REPORTS (REFERENCE)**

**FILE.** Reports concerning production work completed and inventory of work to be completed by the Central Exam Section for internal purposes. File includes reference copies of annual reports for the division, statistical reports, and inventory reports for Central Exams. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

DISPOSITION INSTRUCTIONS: Destroy in office when reference value ends.

**ITEM 49666. TRAINING MATERIALS AND STANDARD OPERATING PROCEDURES (SOP)**

**FILE.** Records concerning day-to-day operations and functions of the Central Examination Section. File includes training handouts, procedures related to various audit projects and functions, and other related records. (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.).

DISPOSITION INSTRUCTIONS: Destroy in office when superseded or obsolete.

**ITEM 49667. VERBAL ADVICE DATABASE (ELECTRONIC) FILE.** Electronic records concerning documentation of verbal advice given to taxpayers. Fields include taxpayer names, entity types, entity identification numbers, descriptions of cases, and other related records. (Data entered into database by Department of Revenue (DOR) employee upon request of taxpayer.) (Comply with applicable provisions of G.S. 105-241; G.S. 105-259; G.S. 105-262; NCAC T17-C1-S1C.0503; G.S. 105-129; G.S. 105-228.5; G.S. 132-1.1; IRS 1075, Exhibit 3; and Internal Revenue Code, Section 6103 concerning confidentiality of taxpayer records.)

DISPOSITION INSTRUCTIONS: Update in office routinely. Retain in office permanently.