

IRM PROCEDURAL UPDATE

DATE: 11/20/2013

NUMBER: WI-21-1113-1653

SUBJECT: Non-Filing Letter for Identity Theft

AFFECTED IRM(s)/SUBSECTION(s): 21.2.3.5.8.3.5

CHANGE(s):

IRM 21.2.3.5.8.3.5 Replaced Letter 1722 (IO) with TDS Letter 3538.

1. There may be instances where a fraudulent return was filed and the identity theft victim calls requesting a verification of non-filing letter. This letter cannot be generated using TDS Request Transcript if there is a tax return filed on the account. TDS Letter 3538 is an alternative and can be generated through the TDS Letter feature.
2. Generate TDS Letter 3538 by following the steps below.
 1. Select Transcript Letters from the TDS home page.
 2. On the Select Letter screen, select 3538 (the one with no title next to the letter number). Complete the Required fields (name, address).

NOTE: The program will capitalize all entries.

3. On the Select Paragraphs screen, select and complete paragraphs A, B, G, and Y
 - For Paragraph A – capitalize accordingly
 - For Paragraph B - in addition to entering the tax year/period(s) in the Tax Period field, input “1040” in the Form Number field
 - For Paragraphs G and Y – the program defaults and no different entry is required
3. Provide TDS Letter 3538 to the taxpayer via postal mail.

CAUTION: Verify the taxpayer’s address to ensure the information is sent to the correct address. If the address is different than MF, manually prepare the envelope.

NOTE: Do not offer to deliver the letter using EEFAX or manual faxing unless you determine the taxpayer has an immediate need. Each request must be considered based on the information provided by the taxpayer regarding the nature of the request. Manual faxing is only permissible when EEFAX is not available.

4. Complete the contact by following IRM 21.2.3.7, *Call Closure Requirements*.