

## IRM PROCEDURAL UPDATE

**DATE: 01/30/2015**

**NUMBER: WI-21-0115-0223**

**SUBJECT: Wage and Income Transcripts, Transcript Processing, MFT 78, Identity Theft**

**AFFECTED IRM(s)/SUBSECTION(s): 21.2.3**

**CHANGE(s):**

**IRM 21.2.3.3.3 Expanded on the Note to generate wage and income transcripts through TDS.**

1. Transcript Delivery System (TDS) is the primary automated system designed to process transcript requests from taxpayers and authorized parties.
2. IRS assistors and approved tax professionals can access TDS; however, this service is not available to the general public. For questions regarding the application process, refer the tax professional to IRS.gov.
3. The following transcripts are available using TDS and can be delivered to the address of record or a new address, by postal mail, or fax.

**NOTE:** The limitations in the chart below refer only to transcripts obtained through TDS.

<b>Transcript</b>	<b>IMF</b>	<b>BMF</b>
Tax Return	Available for the current and three prior tax years	Available for Form 1065, Form 1120, Form 1120-A, Form 1120-H, Form 1120-L, and Form 1120-S for the current and three prior tax years
Tax Account	Available for any account that is active on Master File	Available for any account that is active on Master File
Wage and Income	Available for the current and nine prior tax years. Information for the current year is generally not available until the year after it is filed.	Not available

	<b>NOTE:</b> TDS can only deliver 198 wage and income documents per request. If the request exceeds this limit, use CC IRPTR to provide the remaining documents. Alternately, input more than one TDS request by selecting separate transcripts for the various form types (W-2s, 1099 Misc, etc.) and/or tax year to keep within the 198 documents limitation.	
Record of Account	Available for the current and three prior tax years.	Available for Form 1065, Form 1120, Form 1120-A, Form 1120-H, Form 1120-L, and Form 1120-S for the current and three prior tax years
Verification of Non-Filing	Available for the current and three prior tax years	Not available

**IRM 21.2.3.5.7 Added two paragraphs on transcripts not fully processing and MFT 78.**

1. Special circumstances may exist on IDRS that restrict the issuance of a transcript or require additional actions after requesting the transcript. For example:
  - Criminal Investigation. Refer to IRM 21.5.6.4.52, *-Z Freeze*, and IRM 21.5.6.4.51, *Z- Freeze*, for specific directions when -Z or Z- freeze codes are present on the account.
  - Identity Theft. If the IAT Disclosure tool or the taxpayer indicates identity theft, follow the procedures in IRM 21.2.3.5.8, *Transcripts and Identity Theft*.
2. Requests for prints of IDRS data should not be honored if the information is available using TDS. Encourage the taxpayer to accept the TDS transcript instead. If the information is not available on TDS, refer to IRM 21.2.3.5.9.1, *BMF Transcript Ordering*, and IRM 21.2.3.5.9.2, *IMF Transcript Ordering*.
3. Occasionally, TDS programming limitations prevent certain transcript requests from fully processing and thus require an alternate transcript be provided. The tax account transcript will not generate when selecting Form 706-GS(D), *Generation-Skipping Transfer Tax Return For Distributions*, under MFT 78. Follow the chart below.

Transcript	IMF	BMF
Tax Account	Provide CC TXMODA or CC MFTRAX  <b>NOTE:</b> If CC MFTRAX cannot be printed at the assistor's location, refer to IRM 21.3.5.4.2.3, <i>Required Systems Unavailable</i> .	Provide CC TXMODA or CC MFTRAX  <b>NOTE:</b> If CC MFTRAX cannot be printed at the assistor's location, refer to IRM 21.3.5.4.2.3, <i>Required Systems Unavailable</i> .

4. Occasionally, factors on the account prevent certain transcript requests from fully processing and thus require an alternate transcript to TDS be provided. An example is a taxpayer filed a return that does not match the entity filing requirement, i.e. taxpayer files Form 1120S, *U.S. Income Tax Return for an S Corporation*, but the requirement is Form 1120, *U.S. Corporation Income Tax Return*. Research CFOL Express for a list of command codes used to generate an alternate transcript, CFOL Express.
5. Return Request and Display (RRD) is a sub-system of Modernized e-File (MeF) which is an internal system that stores electronically-filed return information. Printout requests cannot be honored because they may not contain posted return information.
  - o Offer to provide copies of a return transcript if the return has posted.
  - o If the return has not posted, advise the taxpayer to contact us after the processing timeframe has passed. Refer to the processing timeframe chart in IRM 21.4.1.3(2), *Refund Inquiry Response Procedures*.
  - o If the taxpayer requests a photocopy of his/her return, advise to file a Form 4506, *Request for Copy of Tax Return*, and enclose the fee.
6. Generally, balance due accounts do not post to Master File before cycle 20. TDS cannot be used to provide a tax return transcript until the return is available on Master File.
  - o If the taxpayer requests a tax return transcript before the return has updated to Master File, provide the applicable timeframes and advise the taxpayer to contact IRS after this timeframe has elapsed, see IRM 21.4.1.3(2), *Refund Inquiry Response Procedures*.
  - o If the taxpayer has an immediate need, research CC TRDBV to determine if the return has been transcribed. If available, provide a CC TRDBV printout using the IAT QCC Tool to access, grab, sanitize, and print. If information is not available on CC TRDBV, and appropriate processing timeframes have elapsed, follow IRM 21.4.1.3.1.1, *Return Not Found*.
7. If the taxpayer requests a verification of non-filing letter before June 15th, encourage the taxpayer to contact IRS after June 15. If the taxpayer has an immediate need, then issue the letter using TDS.

<b>NOTE:</b>	June 15 is derived from the paper processing timeframe of 6-8 weeks based on the return being submitted April 15.
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8. When a student has filed an amended return and requests a transcript to complete an application for financial aid, see IRM 21.3.13.4, *Amended Returns*.
9. IRS follows laws which dictate the length of time records need to be retained. Taxpayers requesting transcripts for years which are no longer available can complete Form 4506, *Request for Copy of Tax Return*, if a copy of their tax return will meet their needs. IRS refunds the fee if unable to retrieve the tax return requested. IMF taxpayers can also contact the Social Security Administration per IRM 3.5.20.3.7.1, *Procedures for Form W-2 Tax Information*.
10. If the taxpayer requests a date stamp on a transcript, explain that the IRS does not date stamp any transcript, including a TRDBV or a TDS Letter 3538. The presence of a date stamp does not change the validity of a transcript. Information for mortgage companies related to date stamping can be found in paragraph 1 of IMRS Issue 13-0001826 – Tax return transcripts for mortgage lenders, <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/IMRS-Monthly-Overview-Special-Edition-February-2014>.

**IRM 21.2.3.5.8.1 Defined the specific location for referral to IRM 21.2.3.5.9.2 and added a Reminder on Get Transcript.**

1. Resolved identity theft accounts will show TC 971 Action Code (AC) 501 or AC 506 for the tax year. Refer to IRM 21.2.3.5.8.3, *Type of Transcript Requested for Identity Theft Accounts*, to determine which transcripts can be provided.
2. CC ENMOD will show identity theft accounts affected by tax year. If the request is for a tax year not affected by identity theft, follow normal transcript procedures as outlined in IRM 21.2.3.5.9.2, *IMF Transcript Ordering*, beginning with (6) Caution. However, if you suspect identity theft may have affected that tax year (e.g., address discrepancy, TC 976), follow IRM 21.2.3.5.8.2, *Accounts with Suspected or Open/Unresolved Identity Theft*.

**REMINDER:** Taxpayers affected by identity theft cannot use Get Transcript.