

IRM PROCEDURAL UPDATE

DATE: 10/04/2016

NUMBER: wi-21-1016-1466

SUBJECT: Form 4506 Series, Form 2848

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

CHANGE(s):

IRM 21.2.3.5.1 Removed Form 2848 as an option for providing written consent for non-tax matters for the wage and income transcript.

1. In addition to standard and high risk taxpayer authentication procedures covered in IRM 21.1.3.2.3, *Required Taxpayer Authentication*, and IRM 21.1.3.2.4, *Additional Taxpayer Authentication*, special consideration must be given when releasing Personally Identifiable Information (PII) to taxpayers through postal mail or by fax.
2. Transcripts cannot be released to an unauthorized person. Confirm the taxpayer or his/her authorized representative is legally entitled to receive the information prior to sending the transcript. See IRM 21.1.3.3, *Third Party (POA/TIA/F706) Authentication*.
3. Wage and income transcripts are specific to the individual taxpayer and not to both spouses, see IRM 11.3.2.4.1(2), *Individuals*, for an example.
 - For non-tax matters, written consent is required from the spouse to whom the income pertains. Form 8821, *Tax Information Authorization*, or a document containing the same information as Form 8821 may be used, see IRM 21.3.7.5.1, *Essential Elements for Form 2848 and Form 8821*.
 - For tax matters, oral consent is acceptable from the individual to whom the income pertains.
4. Even when the taxpayer responds accurately to authentication probes, the assistor may still doubt the validity of the taxpayer's identity or authorization. In such cases, mail the information only to the taxpayer's address of record. In identity theft cases, see IRM 21.2.3.5.8, *Transcripts and Identity Theft*.

NOTE: If you have any questions, consult your lead or manager, who will then consult with the Disclosure Help Desk # ()# as needed.

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5. Oral Disclosure Consent (ODC) as defined in IRM 21.1.3.3.2, *Oral Disclosure Consent/Oral TIA (Paperless F8821)*, allows an authorized party to give

- verbal consent to have tax information released to a third party when it relates to the resolution of a tax matter.
- a. ODC **can only** be accepted from the taxpayer to fax information when assisting in resolving a tax matter.
 - b. ODC **does not apply** to non-tax matters. For example, faxing a tax account transcript to a lending company for the purpose of securing a loan requires written authorization, generally on Form 4506-T, *Request for Transcript of Tax Return*.
6. Due to the processing delay in releasing taxpayer information when using TDS, the assistor must follow the disclosure rules in IRM 11.3.1.11, *Facsimile Transmission of Tax Information*, and IRM 21.1.3.9, *Mailing and Faxing Tax Account Information*.
7. Use of fax delivery requires adherence to the following disclosure procedures:
- a. Advise the taxpayer of the security risk associated with fax transmissions.
 - b. Verify the receiving fax is in a secure location and only the intended recipient or his/her authorized representative will receive the fax. Refer to Just the FAX! Guidelines for Faxing SBU Information.
 - c. Conduct additional authentication per IRM 21.1.3.2.3(8), *Required Taxpayer Authentication*.
 - d. When an e-fax system is used by the recipient, follow the guidance in IRM 21.2.3.5.5, *Using Electronic Fax Services*. The use of Enterprise e-Fax (EEFax), when available, must be used in lieu of manual faxing.
 - e. A fax cover sheet is required. See IRM 21.2.3.5.4, *Fax Cover Sheets*.
8. Use of postal mail delivery requires adherence to the following disclosure procedures:
- a. Verify the mailing address.
 - b. If mailing the transcript to an address other than the address of record, additional authentication is required per IRM 21.1.3.2.3(8), *Required Taxpayer Authentication*.
 - c. Do not release wage and income transcripts if a third party provides a prison address. Follow procedures in IRM 5.19.2.5.4.6.7, *IMF Response Taxpayer Incarcerated*.

IRM 21.2.3.5.8 Added Form 4506-F for taxpayers requesting a transcript of a fraudulent tax return.

1. Transcript Delivery System (TDS) is programmed to restrict the delivery of transcripts to external users when certain identity theft indicators are present. These external users include tax professionals accessing TDS via e-Services and individual taxpayers using Get Transcript and the IVR. Assistors must be cautious when fulfilling transcript requests as there are no TDS restrictions for internal users. Follow account authentication and research procedures for identity theft as instructed in these subsections:
 - o IRM 21.2.3.5.8.1, *Authentication Procedures for Identity Theft*

- IRM 21.2.3.5.8.2, *Accounts with Resolved Identity Theft*
 - IRM 21.2.3.5.8.3, *Accounts with Suspected or Open/Unresolved Identity Theft*
 - IRM 21.2.3.5.8.4, *Type of Transcript Requested for Identity Theft Accounts*
2. Submission Processing (SP) receives transcript requests on Form 4506-T, *Request for Transcript of Tax Return*, and Form 4506-T-EZ, *Short Form Request for Individual Tax Return Transcript*, in the Return and Income Verification Services (RAIVS) and through Income Verification Express Service (IVES). RAIVS/IVES will not fulfill requests when their research shows identity theft indicators are present on either the Primary or cross reference SSN account. RAIVS/IVES will mail Form 14611, *RAIVS/IVES Additional Actions Needed*, instructing the taxpayer to call the Identity Theft toll-free number. More information on SP procedures is found in IRM 3.5.20.2.8.1, *Identity Theft Indicator*.
 3. If a taxpayer is calling for a transcript after receiving Form 14611, refer to IRM 21.2.3.5.8.4, *Type of Transcript Requested for Identity Theft Accounts*, and provide the requested transcript. Apologize and explain we are protecting their tax account and personal information. Do not direct the taxpayer to request the transcript through the Get Transcript application, by calling the IVR, or by submitting/re-submitting Form 4506-T or Form 4506-T-EZ.

REMINDER: SP account research includes looking for identity theft indicators on either the Primary or cross reference SSN account, see (2).

REMINDER: A third party, such as a tax professional with a Power of Attorney, can contact Identity Theft toll-free to request a transcript when his or her client receives Form 14611. Authentication of the client's tax information is required, following IRM 21.2.3.5.8.1, *Authentication Procedures for Identity Theft*.

4. If the taxpayer indicates they filed Form 4506, *Request for Copy of Tax Return*, and received Form 14611, refer to IRM 21.3.6.4.3.2, *Return Copy Procedures and Identity Theft*, for handling instructions.
5. If the taxpayer requests transcripts be sent to a third party, apologize to the taxpayer and explain that we do not send transcripts directly to a third party when there is the possibility of identity theft.

NOTE: If the taxpayer is requesting a tax return transcript for a mortgage company, please provide the following information: "In cases of identity theft, the financial community has been made aware that we will only release transcripts to the taxpayer. A mortgage company or lender does not need to obtain the transcript directly from the IRS." See Treasury Regulation 12 CFR § 1026.43(c)(4) discussion in Issue Management Resolution System (IMRS) Issue 13-0001826 – Alternative Transcripts.

6. If the taxpayer indicates receipt of a transcript they did not request, probe to find out if their spouse or someone who is authorized (such as a tax

professional) could have requested the transcript. If the taxpayer indicates no one requested the transcript on their behalf, see IRM 21.2.3.5.8.3, *Accounts with Suspected or Open/Unresolved Identity Theft*.

NOTE: Do not refer the taxpayer to Phishing at IRS.gov.

7. If the taxpayer indicates receipt of a transcript they requested that contains incorrect information due to possible identity theft, see IRM 21.2.3.5.8.3, *Accounts with Suspected or Open/Unresolved Identity Theft*.
8. If the taxpayer requests a transcript of a fraudulent tax return, see IRM 25.23.3.2.5, *Responses to Requests for copies of Fraudulent Return(s) for Identity Theft Victims*. Taxpayers must submit Form 4506-F, *Request for Copy of Fraudulent Tax Return*. Taxpayer instructions are available on Instructions for Requesting Copy of Fraudulent Returns.