



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

April 17, 2023

Control Number: SBSE-04-0423-0026

Expiration Date: May 04, 2025

Affected IRM(s): 4.19.11.2.23

MEMORANDUM FOR OGDEN CAMPUS EXAMINATION EMPLOYEES

FROM:

Heather J. Yocum

Digitally signed by Heather J. Yocum
Date: 2023.04.17 09:28:04 -0400

Acting Director, SB/SE Examination-Field and Campus Policy

SUBJECT: Issuance of Temporary Interim Guidance for Processing California State Department of Industrial Relations, Division of Labor Standards Enforcement Federal Tax Information Requests

Due to the termination of the Memorandum of Understanding (MOU) between the IRS and the California State Department of Industrial Relations, Division of Labor Standards Enforcement (DLSE), inventory processing guidance must be updated.

This memorandum issues guidance on how to process DLSE tax information requests until IRM 4.19.11.2.23 is made obsolete. Please ensure this information is distributed to all affected employees within your organization.

Purpose: The MOU between IRS and the DLSE dated February 26, 1999, no longer reflects current IRS organizational operations, nor does it adhere to current policies regarding requests for taxpayer records or taxpayer data safeguards. Pursuant to the terms outlined in the MOU, the IRS invoked its right to terminate this agreement on April 4, 2023. Termination is effective thirty days from the state's receipt of the memo, which would be May 4, 2023.

Background/Source(s) of Authority: Per the Privacy, Governmental Liaison and Disclosure (PGLD) office's consent-based disclosure clarification to be memorialized in IRM 1.2.1.11.14, Policy Statement 11-99, Processing Disclosure Consents for Government Agency Non-Tax Programs, the DLSE program worked in Ogden Campus must be terminated.

Procedural Change: Effective May 4, 2023, SB/SE will close the existing DLSE inventory using the following procedures and will no longer provide a weekly report to DLSE via EEFax. [IRM 4.19.11.2.23.10, State Data Delivery](#) will be obsoleted.

On May 4, 2023, Exam will begin sending [Letter 3064C, IDRS Special Letter](#), to all taxpayers who have submitted Forms 8821 for federal tax information to be sent to the state of California.

- Use the following paragraphs in the Letter 3064C:
 - Paragraph F – Thank you for your [request dated MM/DD/YYYY].
 - The date input will be the date the Form 8821 is signed.
 - Paragraph L – [As part of IRS modernization efforts, IRS will no longer fulfill requests for tax compliance checks from state agencies or other third parties. If needed, you can provide your tax data directly to the state agency.]
 - Paragraph M – [You do not need to respond to IRS about this notice. If you have questions, you can call 801-620-2400, between 10 a.m. and 3 p.m. Eastern Time. This number is not toll-free.]
- Use the same signature code used on the Letter 4267C.

Phone Calls: If the taxpayer contacts IRS upon receipt of Letter 3064C, the assistor will advise the taxpayer:

- Due to IRS Modernization efforts, IRS is no longer processing tax compliance verification for DLSE.
- If the taxpayer chooses, they can send their tax information to DLSE directly.
- If the taxpayer asks how to get their transcripts, see [IRM 21.2.3, Transcripts](#):
 - Individual (SSN) transcripts can be accessed online at IRS.gov (*if* the taxpayer has or sets up an online account), ordered by calling the automated transcript line 800-908-9946 or Accounts Management at 800-829-1040, or requested by filing Form 4506-T.
 - Business (EIN) transcripts can be ordered by calling 800-829-4933 or by filing Form 4506-T.

Effect on Other Documents: This guidance will not be incorporated into IRM 4.19.11. As the DLSE program is being terminated, [IRM 4.19.11.2.23, State Business Licensing Compliance Program](#), and all subsections will be deleted in the next revision.

Effective Date: This interim guidance is effective May 4, 2023.

Contact: If you have questions regarding this MOU, please contact Timothy G. Tole, Acting Program Manager, Examination Field and Campus Policy, Campus Exam and Field Support.

Distribution:

IRS.gov (<https://www.irs.gov/privacy-disclosure/foia-library>)