



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

November 18, 2020

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Impacted IRMs: 4.24.13

MEMORANDUM FOR: DIRECTOR, SPECIALTY EXAMINATION, CHIEF ESTATE & GIFT/EXCISE TAX, AND EXCISE TAX TERRITORY AND GROUP MANAGERS

FROM: Wanda R. Griffin,
Director, Specialty Exam Policy

SUBJECT: Prohibition of Sharing IRS Dyed Fuel Penalty Case Information with State Agencies

This memorandum issues interim guidance prohibiting sharing of [IRC § 6715](#) dyed fuel penalty case information with state agencies until [IRM 4.24.13, Overview of Excise Fuel Compliance Program](#), is published. Please ensure this information is distributed to all affected employees in your organization.

Purpose: To revise procedures for sharing IRC § 6715 penalty information with state agencies under Fed/State Memorandums of Understanding.

Background/Source(s) of Authority: Sharing of IRC § 6715 penalty information with state agencies is not authorized under [IRC § 6103\(d\)](#). IRC § 6103(d) does not include IRC Chapter 68 as one of the specific chapters for which the IRS has authority to disclose returns and return information to state agencies. Therefore, return and return information with respect to taxes and penalties imposed under Chapter 68, including penalties authorized by IRC § 6715, may not be disclosed to state agencies under IRC § 6103(d).

SB/SE Estate & Gift / Excise Tax Exam may still share results from state fuel samples submitted to and tested by the Excise Forensic Laboratory with state agencies; however, test results shared with state agencies may not reference the IRC § 6715 penalty.

Procedural Change: Effective immediately, SB/SE Estate & Gift / Excise Tax Exam may not share IRC § 6715 dyed fuel penalty case information with state agencies.

Effect on Other Documents: This guidance will be incorporated into IRM 4.24.13 by November 18, 2022.

Effective Date: November 18, 2020

Contact: Karmen Apitz-Porter, Senior Program Analyst, Excise Tax Policy,
(763) 347-7412.

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