



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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Affected IRM(s): 4.25.1 and 4.25.2

MEMORANDUM FOR DIRECTOR, MIDWEST AREA EXAMINATION AND DIRECTOR,
CAMPUS EXAMINATION CINCINNATI

FROM: Heather J. Yocum /s/ *Heather J. Yocum*
Acting Director, Specialty Examination Policy

SUBJECT: Supplemental Guidance on Offering Digital Communication Tools to Taxpayers
and Third Parties for Estate and Gift Tax Filers

Purpose: The purpose of this memorandum is to incorporate changes from the guidance in IGM SBSE-04-0126-0012, *Interim Guidance on Offering Digital Communication Tools to Taxpayers and Third Parties*, into IRM 4.25.1, *Estate and Gift Tax Examinations*, and IRM 4.25.2, *Campus Estate and Gift*, until they are published. Please ensure this information is distributed to all affected Estate and Gift Tax Specialty Examination Program and Campus Examination Campus Estate and Gift Operation employees.

Effect on Other Documents and Effective Date: The guidance in SBSE-04-0126-0012, *Interim Guidance on Offering Digital Communication Tools to Taxpayers and Third Parties*, will be incorporated into IRM 4.25.1, *Estate and Gift Tax Examinations*, and IRM 4.25.2, *Campus Estate and Gift*, by a date not to exceed two years from the date of this memorandum. The following changes are effective 01/26/2026.

Contact: Lauren E. Busterna, Program Manager, Estate and Gift Tax Policy.

Attachments:

Attachment 1 – IRM 4.25.1
Attachment 2 – IRM 4.25.2

Distribution: www.irs.gov

Attachment 1

4.25.1.1.4

Terms

- (1) The following table sets forth the Estate and Gift Tax program specific terms and definitions:

Authorized user	An individual designated by a taxpayer to access and use a digital communication tool on their behalf. The IRS must have a valid Form 2848 or Form 8821 on file to substantiate the individual's authority to exchange information on behalf of the taxpayer.
Digital Communication Tool	A web-based system that allows electronic communication between two parties. Note that only certain digital communication tools (e.g., Document Upload Tool for Taxpayer Facing Employees (DUT-TPFE), and Secure Large File Transfer (SLFT) hosted by KiteWorks) are approved for use between certain examiners and an external party (i.e., a taxpayer, representative, or third party).
Document Upload Tool for Taxpayer Facing Employees (DUT-TPFE)	An IT-approved, one-way (taxpayer to examiner), digital communication tool that taxpayers and third parties can use to submit documents and information related to compliance interactions.
Secure Large File Transfer (SLFT) hosted by KiteWorks	Secure Large File Transfer (SLFT): Hosted by KiteWorks, may be used for large file transfer, with proper authentication and authorization. For more information, refer to the Secure Large File Transfer (SLFT) SharePoint site.

4.25.1.7.4.2

Written Communication

- (1) No Changes.
- (2) No Changes.
- (3) No Changes.
- (4) No Changes.
- (5) If the taxpayer's SSN or EIN is displayed on correspondence, it must show only the last four digits.

IRM 4.25.1.7.4.3

Use of Digital Communication Tools in Taxpayer and Third-Party Interactions

- (1) Taxpayers may submit documentation or information related to compliance inquiries and interactions via IT-approved digital communication tools (e.g., DUT-TPFE, Secure Large File Transfer (SLFT) hosted by KiteWorks, etc.) unless there is a specific prohibition.
- (2) The use of IT-approved digital communication tools is voluntary for taxpayers.
- (3) Examiners are required to offer and encourage the use of IT-approved digital communication tools to taxpayers and representatives during compliance interactions.

Note: Most tools require BEARS entitlements. However, access to specific digital communication tools depends on whether the examiner's business unit or function is approved to utilize the tool. As a result, examiners may not have access to every digital communication tool. For more information on tool availability, visit [Emerging Technologies - Home](#).

- (4) Examiners must offer the use of IT-approved digital communication tools to the taxpayer in the initial contact letter.

Note: The examiner should explain the digital communication tools available to help the taxpayer determine which option makes the most sense for their circumstances (depending on the frequency of use, file type(s)/size(s), etc.). See Secure Large File Transfer (SLFT) and Document Upload Tool (DUT) Table of Contents for more information.

- (5) Taxpayers are **not required** to submit any documentation or information via IT-approved digital communication tools and may continue to submit information by mail or other allowable means of transmission.
- (6) Correspondence and documents received via IT-approved digital communication tools generally must be saved to an encrypted folder on the examiner's hard drive or OneDrive upon receipt. See IRM 4.33.1.4(2), *Accessing Electronic Records*, and IRM 1.15.6.8(3)(d), *Creation, Use, and Maintenance of Unstructured Electronic Data*, (related to the use of OneDrive for the temporary storage of Federal records).

Note: Documents received from the taxpayer and temporarily saved on the examiner's hard drive or OneDrive must be associated with the IMS case file when appropriate. See IRM 4.33.1.8, *Closing Cases with Electronic Records*, for guidance on preserving all appropriate documents in the electronic case file.

- (7) If it is immediately apparent that digital received files should be associated with the case file (e.g., a signed Form 4549, Form 872, etc.), the examiner should save the files directly to the IMS case upon receipt (bypassing the need to save the files to an encrypted folder on the examiner's computer or OneDrive). As discussed in IRM 4.33.1.8, the decision to include or not include electronic records in the case file is determined on a case-by-case basis.
- (8) See IRM 10.10.1.6.1, *Accepting Images of Signatures and Digital Signatures in Certain Taxpayer Interactions*, for guidance on accepting **signed** documentation via digital communication tools.

- (9) Correspondence received via a digital communication tool falls under the activity “Response to correspondence” in IRM Exhibit 4.2.8-1, *National Standard Time Frames for Case Action*, and requires action within 14 calendar days of receipt.

IRM 4.25.1.7.4.4

Documents Obtained from Taxpayers

- (1) No changes.
- (2) No changes.
- (3) No changes.
- (4) See IRM 4.33.1.9, Disposing of Storing Electronic Records for guidance on removing digital documents obtained from a taxpayer that were temporarily stored on an employee’s hard drive or OneDrive folder.

Attachment 2

4.25.2.3.1

Amended Form 706 or 706-NA

- (1) **No Changes.**
- (2) **No Changes.**
- (3) When processing an amended return, verify the following:
 - **Signature:** Returns should have an original signature of the executor.
 - **Power of Attorney (POA), Form 2848:** Research POA information on page 2 of the return or Form 2848, Power of Attorney and Declaration of Representative, attached to the return. Check the Centralized Authorization File (CAF) on IDRS to see if the Form 2848 has been processed. If not, fax a copy of the Form 2848, or pages 1 and 2 of the Form 706, to the CAF unit for processing.
Note: A Form 8821, Tax Information Authorization, may be used instead of Form 2848. Refer to IRM 21.3.7, Processing Third-Party Authorizations onto the Centralized Authorization File (CAF), for more information.
 - **Correspondence:** Search through the return for any correspondence the executor or preparer may have enclosed. Address the issues in the correspondence with a reply letter as needed. See IRM 4.25.2.5.12, [Use of Digital Communication Tools in Taxpayer and Third-Party Interactions](#), and IRM 4.25.2.5.13, [Document Upload Tool for Taxpayer Facing Employees \(DUT-TPFE\) in Taxpayer and Third-Party Submissions](#). See also, IRM, 4.25.2.2.2, Mail Desk, for any correspondence unrelated to Campus Estate and Gift.

4.25.2.4.2

GST Exemption Allocation and Supplemental Returns Filed Pursuant to Rev. Proc. 2004-46

- (1) **No changes.**
- (2) **No changes.**
- (3) Additional information should be requested if necessary to perfect the return and/or verify compliance. A determination will be made as to whether the requirements for granting relief to make a GST exemption allocation have been satisfied. See IRM 4.25.2.5.12, [Use of Digital Communication Tools in Taxpayer and Third-Party Interactions](#), and IRM 4.25.2.5.13, [Document Upload Tool for Taxpayer Facing Employees \(DUT-TPFE\) in Taxpayer and Third-Party Submissions](#).
- (4) **No changes.**

(5) **No changes.**

(6) Any other questionable amended gift tax returns involving GST exemption allocation issues other than those addressed above (i.e. late elections out of the automatic allocation rules, incomplete information on the return, post 2000 gifts, 2010 GST issues, etc.) should be addressed at the discretion of the TTT as follows:

- Technical referral to Campus ETA requesting guidance with a calendared requested response date.
- Technical referral to the WSD National Gatekeeper for guidance with a calendared requested response date.
- Issuance of a perfection letter requesting clarifying information from the filer. See IRM 4.25.2.5.12, *Use of Digital Communication Tools in Taxpayer and Third-Party Interactions*, and IRM 4.25.2.5.13, *Document Upload Tool for Taxpayer Facing Employees (DUT-TPFE) in Taxpayer and Third-Party Submissions*. If the response does not provide adequate clarification, a referral should be made to Campus ETA or WSD National Gatekeeper.

4.25.2.5.12

Use of Digital Communication Tools in Taxpayer and Third-Party Interactions

- (1) Taxpayers may submit documentation or information related to compliance inquiries and interactions via IT-approved digital communication tools (e.g., DUT-TPFE) unless there is a specific prohibition.
- (2) The use of IT-approved digital communication tools is voluntary for taxpayers.
- (3) TEs and TTTs are required to secure BEARS entitlements for all available IT-approved digital communication tools and offer the use of these tools to taxpayers and representatives during compliance interactions.

Note: Availability of BEARS entitlements for specific digital communication tools is based on whether the examiner's business unit or function is approved to utilize the tool. Therefore, examiners may not have access to every digital communication tool.

- (4) TEs and TTTs must offer the use of IT-approved digital communication tools to the taxpayer in their initial contact with the taxpayer and third-party representatives.

Note: TEs and TTTs should explain the digital communication tools available to help the taxpayer determine which option makes the most sense for their circumstances (depending on the frequency of use, file type(s)/size(s), etc.). See Document Upload Tool (DUT) Table of Contents for more information.

- (5) Taxpayers are **not required** to submit any documentation or information via IT-approved digital communication tools and may continue to submit information by

mail or other allowable means of transmission (e.g., enterprise e-fax, etc.).

- (6) Correspondence and documents received via IT-approved digital communication tools generally must be saved to an encrypted folder on the TE's or TTT's hard drive or OneDrive upon receipt. See IRM 1.15.6.8(3)(d), Creation, Use, and Maintenance of Unstructured Electronic Data, (related to the use of OneDrive for the temporary storage of Federal records).

Note: Documents received from the taxpayer and temporarily saved on the TE's or TTT's hard drive or OneDrive must be associated with the case file when appropriate.

- (7) See IRM 10.10.1.6.1, Accepting Images of Signatures and Digital Signatures in Certain Taxpayer Interactions, for guidance on accepting **signed** documentation via digital communication tools.

4.25.2.7 Phones

- (1) **No changes.**

- (2) The key points for every call are as follows:

- Always greet the caller with your name and 10-digit identification (ID) number. Prompt the caller for the tax form they are calling about.
- Maintain professional courtesy.
- Control the direction of the contact.
- Give accurate and complete assistance based on your job duties within the operation.
- Resolve the taxpayer's issue, to the extent possible.
- Do not use IRS jargon.
- Do not address questions unrelated to E&G. Forward calls as appropriate. See IRM 4.25.2.7.4, Calls Unrelated to Estate and Gift.
- Use appropriate hold procedures by giving a reason and thanking the taxpayer upon your return.
- If a caller indicates they have called more than two times without a response, notify the manager.
- Offer any available IT-approved digital communication tool to the caller as an option to submit documentation or information related to compliance inquiries. See IRM 4.25.2.5.12, Use of Digital Communication Tools in Taxpayer and Third-Party Interactions, and IRM 4.25.2.5.13, Document Upload Tool for Taxpayer Facing Employees (DUT-TPFE) in Taxpayer and Third-Party Submissions.

Note: If a call is received within one hour of the toll-free phone lines shutting down, the phone assistor has 24 hours to resolve the issue or open a control.

4.25.2.8.3.6
IDRS Research

- (1) **No changes.**
- (2) **No changes.**
- (3) **No changes.**
- (4) IDRS CC CFINK is used to research the CAF system for authorization information from both power of attorney and tax information authorization. The following table provides guidance researching the POA:

IF	THEN
Power of Attorney (POA) is on file: 1) The information is the same 2) The information is different 3) No signed representative is listed on page 2 of Form 706	Verify the name and address is the same on file as on page 2 of Form 706. 1) No additional action is required now. 2) Fax copies of pages 1 and 2 of the signed Form 706 to the appropriate CAF unit. 3) No further verification of POA is required.
No POA on CFINK file and: 1) There is a signed representative on page 2 of Form 706 2) There is either no representative listed or no signature for the representative on page 2 of Form 706	 1) Follow procedures in 2 above. 2) No additional action is needed.

<p>Form 2848» is enclosed with the Form 706:</p> <ol style="list-style-type: none"> 1) The information is the same 2) The information is different 3) The signed representative listed on page 2 of Form 706 is the same as the Form 2848 on CFINK file 	<p>Verify the name and address is the same as the POA on file and on page 2 of Form 706:</p> <ol style="list-style-type: none"> 1) No additional action is required now. 2) Fax a copy, whichever is different, either the Form 2848 or pages 1 and 2 of Form 706» to the appropriate CAF unit. 3) No further verification of the POA is necessary.
<p>Any of the POA information is incorrect or missing.</p>	<p>Contact the POA or the executor. See IRM 4.25.2.5.12 and IRM 4.25.2.5.13.</p>