



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

August 16, 2016

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MEMORANDUM FOR DIRECTOR, SPECIALTY EXAMINATION; CHIEF, EXCISE
FUELS TAX EXAMINATION; TERRITORY AND GROUP
MANAGERS, AND EXCISE FUELS TAX EXAMINATION
EMPLOYEES

FROM: Alfredo Valdespino /s/ Alfredo Valdespino
Acting Director, Examination-Specialty Policy

SUBJECT: Initial Taxpayer Contact in Form 637 Follow-Up Reviews

The purpose of this memorandum is to issue interim guidance reflecting changes in the manner SB/SE Excise Tax Field Examination employees make initial contact with taxpayers. Effective immediately, ALL initial taxpayer contacts with Form 637, *Application for Registration (For Certain Excise Tax Activities)*, applicants and existing registrants must be made by mail. Although we recognize making initial contact by telephone has been a long-standing policy, we are changing our practice in response to today's environment of phone scams, phishing and identity theft. Please ensure this information is distributed to all affected employees within your organization.

Examiners (tax examiners, revenue agents and fuel compliance agents) will use the appropriate initial contact letter to notify the taxpayer of a Form 637 initial and/or follow-up review, following the revised requirements in IRM 4.24.2, Excise Tax, *Form 637 Excise Tax Registrations*, appearing in the Attachment, and will not make initial contact by telephone. After mailing the contact letter, and allowing sufficient time for the taxpayer to respond (14 calendar days from mailing the letter), employees can then initiate contact by telephone with the taxpayer as needed.

- For initial applications, use initial contact Letter 3681, *637 Notification Letter*.
- For initial contacts on a Form 637 follow-up review, an initial contact letter is not yet available on the Forms Repository. Examiners are directed to click on the hyperlink for the [letter template](#) which is temporary until it is officially approved and published.

Note: Letter 3686, *Follow-Up Compliance Review*, is being revised to address all Form 637 compliance reviews. Letter 3686 is not an initial contact letter

for Form 637 follow-up compliance reviews. Examiners should continue to use Letter 3686 in the Forms Repository to schedule appointments after initial contact letters are issued, and until the revised letter is published.

When a valid Form 2848, *Power of Attorney and Declaration of Representative*, or Form 8821, *Tax Information Authorization*, is on file for the taxpayer, the appropriate initial contact letter will be mailed to the taxpayer and a copy of that letter will be mailed to the representative with Letter 937, *Transmittal Letter for Power of Attorney*.

IRM 4.24.2.5, *Responsibility of 637 Registration Group*, is affected by these changes. The D900, Initial Contact Check Sheet, contains action items to consider at the time initial contact occurs. This change in policy supersedes initial contact actions on the D900.

IRM subsections affected by these changes are listed the Attachment, Form 637 Initial Taxpayer Contact.

The revised guidance appearing within the Attachment will be incorporated into IRM 4.24.2, within one year of issuance.

If you have questions concerning this interim guidance, contact Edward A. Kipping, Acting Program Manager, Excise Fuels Tax Policy; or Lisa M. Davis-Oglesby, Analyst, Excise Fuels Tax Policy.

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Distribution:

IRS.gov (www.irs.gov)

Attachments:

Attachment

637 Follow-Up Compliance Review

Initial Contact Letter Template

4.24.2.7.3.1

Status 20- Compliance Review Procedures

(1) The following procedures apply to all applications processed in Status 20 by the Registration Group TE. The TE will:

- a. Prepare and mail [Letter 3681](#), *637 Notification Letter*, within five (5) calendar days from the assignment of the 637 IMS case and include their contact information. The TE will not make an initial contact with the applicant via telephone. The TE must allow sufficient time to lapse after the mailing of Letter 3681, (14 calendar days), before contacting the applicant by telephone. The TE must enclose the following taxpayer rights documents with Letter 3681:

- [Publication 1](#), *Your Rights As A Taxpayer*, and
- [Notice 609](#), *Privacy Act Notice*.

When a valid [Form 2848](#), *Power of Attorney and Declaration of Representative*, or Form [8821](#), *Tax Information Authorization*, is on file for the taxpayer, the appropriate initial contact letter will be mailed to the taxpayer and a copy of that letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*.

4.24.2.8 (MM-DD-YYYY)

Excise Field Group Procedures Initial Application and Approval

(1) Examiners must allow sufficient time to lapse after the mailing of [Letter 3681](#), *637 Notification Letter*, (14 calendar days), before contacting the applicant by telephone. When a valid [Form 2848](#), *Power of Attorney and Declaration of Representative*, or Form [8821](#), *Tax Information Authorization*, is on file for the taxpayer, the appropriate initial contact letter will be mailed to the taxpayer and a copy of that letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*.

4.24.2.8.2 (MM-DD-YYYY)

Follow-up Compliance Review Procedures After Approval of Registration

(1) All initial follow-up review contacts with registrant must be made by mail. Examiners (tax examiners, revenue agents and fuel compliance agents) will not make initial contact by telephone.

- (2) Until an initial taxpayer contact letter is published for follow-up reviews, the examiner will use the letter template attached to notify the registrant of the Form 637 follow-up review, and allow the registrant 14 calendar days to respond. Examiners must enclose the following taxpayer rights documents with the initial contact letter:
- [Publication 1](#), Your Rights As A Taxpayer, and
 - [Notice 609](#), Privacy Act Notice.
- (3) When a valid Form 2848, *Power of Attorney and Declaration of Representative*, or Form 8821, *Tax Information Authorization*, is on file for the taxpayer, the appropriate initial contact letter will be mailed to the taxpayer and a copy of that letter will be mailed to the representative with Letter 937, *Transmittal Letter for Power of Attorney*.
- (4) If the registrant does not respond to the initial contact letter and it is not returned as undeliverable, follow the guidance in IRM 4.10.2.8.3, *No Response/No Show Procedures*.
- (5) If the letter is returned undeliverable, follow the procedures in IRM 4.10.2.8.4, *Undeliverable Initial Contact Letters*.