

IRM PROCEDURAL UPDATE

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SUBJECT: AGI; Third-Party E-Fax Service Provider; MFT32, DLN Transcript;
Display: Programming Issue with the TDS DLN Feature in Identity Theft Cases

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

CHANGE(s):

IRM 21.2.3.5.5 Expanded the requirements regarding third-party e-fax service providers.

1. Electronic fax (e-fax) is widely utilized by taxpayers and tax professionals and refers to the system or method by which the recipient receives a fax. EEFax (Enterprise e-Fax), as discussed in IRM 21.2.3.5.5.1, *IRS Electronic Fax System*, refers to the IRS e-fax system.

NOTE: It is not permissible to fax a transcript to a mobile device, such as a smartphone, using a fax “app.”

2. An e-fax system uses a combination of fax and internet applications to transmit a document to a receiving party. This is a paperless communication integrated with email. This service is available in several formats.
 - a. The e-fax application may be a software program stored on the recipient’s computer. This program receives the fax transmission and converts it into a digital format.
 - b. The e-fax service may be software and/or hardware leased to the recipient. An e-fax service provider assigns a dedicated fax number to the recipient. Faxed information is transmitted directly to this number similar to 2(a).
 - c. The e-fax service may be a third party serving as a conduit for the fax transmission. Using this method, the fax is transmitted from the sender, is processed through the third party e-fax service provider, and is delivered to the authorized party via email or other means.

NOTE: In reference to (2)c, when faxing tax information through a third party e-fax service provider, written authorization designating the e-fax provider is required; Oral Disclosure Consent cannot be accepted. Refer to IRM 11.3.1.11(9), *Facsimile Transmission of Tax Information*.

3. Taxpayers may state they are using a third-party e-fax service provider. Assistors may also become aware that a third-party e-fax service provider might be used, such as when receiving a fax and seeing the name of an online e-fax service company on the cover page. If there is doubt as to the use of a third-party e-fax service provider, then question the taxpayer. If the taxpayer is using a third party e-fax service provider as defined in 2(c), then a valid, written consent from the taxpayer designating the e-fax service provider as a recipient of tax information is required. The written consent can be faxed.
 - a. The written consent must contain the required elements from Form 8821, *Tax Information Authorization*, as described in IRM 21.3.7.5.1, *Essential Elements for Form 2848 and Form 8821*:
 - The taxpayer's name and TIN
 - Types of tax and tax periods covered by the authorization
 - The third party's (e-fax service provider) name, address, and fax number, and
 - Must be signed and dated by the taxpayer (BMF authorizations must also include the taxpayer's title)

NOTE: Form 2848, *Power of Attorney and Declaration of Representative*, cannot be used to authorize a third party e-fax service provider as that entity cannot represent the taxpayer before IRS. If the taxpayer submits a Form 8821, *Tax Information Authorization*, follow processing procedures in IRM 21.1.3.3(3)(4), *Third Party (POA/TIA/F706) Authentication*. A document submitted that is not an official IRS form is a one-time use document and must be destroyed after the input of the AMS narrative in (3)b.

- b. An AMS narrative needs to be input documenting the receipt of written consent authorizing the e-fax service to receive and transmit information, see IRM 21.2.3.7(2), *Call Closure Requirements*.
- c. If the taxpayer cannot provide a written consent, the information can only be sent using an alternate delivery method.

IRM 21.2.3.5.8.4 Added cross reference to IRM 21.2.1.40 for prior year AGI requests.

1. Refer to the respective sections below based on the type of transcript requested:
 - IRM 21.2.3.5.8.4.1, *Tax Return Transcript for Identity Theft*
 - IRM 21.2.3.5.8.4.2, *Tax Account Transcript for Identity Theft*
 - IRM 21.2.3.5.8.4.3, *Wage and Income Transcript for Identity Theft*
 - IRM 21.2.3.5.8.4.4, *Record of Account for Identity Theft*
 - IRM 21.2.3.5.8.4.5, *Verification of Non-Filing Letter for Identity Theft*

NOTE: If the taxpayer is requesting the transcript to obtain prior year AGI information, see IRM 21.2.1.40(7), *E-file 1040 Series Online Filing*.

IRM 21.2.3.5.8.4.1 Added MFT32 content and an interim procedure to address a TDS programming issue.

1. A tax return transcript can be issued to the taxpayer who filed the return on a resolved or open/unresolved identity theft account. In most cases, TDS can be used. CC TRDBV is an alternate transcript if TDS cannot be used.

NOTE: If the SSN owner's tax return for the year requested is posted as a TC 977 instead of a TC 150 or TC 976, perform research on Correspondence Imaging System (CIS) to locate the return. If the return is found, follow IRM 21.5.1.5.5, *Processing/Reprocessing CIS Tax Returns*, to have the return reprocessed. If the return is not found on CIS, follow IRM 21.4.1.3.1, *Locating the Taxpayer's Return*. In either scenario, provide the taxpayer with the timeframe to call back for a transcript; refer to IRM 21.4.1.3(3), *Refund Inquiry Response Procedures*. A transcript cannot be issued until the TC 150 or TC 976 is posted to the account.

2. TDS generates a transcript from the Tax Return Database (TRD) compiled from the original return filed on an account and any subsequent return filed on the account. If there are two returns filed, e.g., TC 150 and TC 976, TDS will generate a tax return transcript for either return using the Document Locator Number (DLN) of the return. This includes a return posted in error to MFT32. If the return is posted in error to MFT32, request a TC 976 MFT32 tax return transcript using the DLN. Presently, the tax return transcript will not display a date in the "Tax Period Ending" field. IT is working to fix this programming issue. Therefore, **DO NOT** provide a tax return transcript using the DLN feature. Instead, provide a record of account transcript using the DLN feature. Explain to the taxpayer that the record of account contains the tax return information in addition to the account information.
3. Determine which return belongs to the taxpayer. The taxpayer is only entitled to the tax return transcript for the return they filed.

CAUTION: If the taxpayer requests a transcript of a fraudulent tax return, see IRM 21.2.3.5.8, *Transcripts and Identity Theft*.

4. To generate a transcript in TDS using the DLN, select *DLN Transcript Request* from the TDS home page.
 1. Refer to IRM 21.2.3.5.3, *Selecting a Delivery Method*, to determine the delivery method.
 2. If the taxpayer is the filer of the TC 150 return, input the TC 150 DLN to generate the transcript.
 3. If the taxpayer is the filer of the TC 976 return, input the TC 976 DLN to generate the transcript.
 4. Complete the contact by following IRM 21.2.3.7, *Call Closure Requirements*.

CAUTION: Enter the SSN and DLN **carefully**. The transcript will not properly generate with an incorrect entry/mismatch in the DLN, SSN, or both the DLN and SSN. The Get Products TDS page will either display an "unrecoverable error" message or generate the tax return transcript with no tax return data and containing a paragraph beginning with "Tax return transcripts are only available..." Consider using "cut & paste" to enter the SSN and DLN to help ensure a correct entry.

5. If the TC 150 or TC 976 return is not available through TDS, provide a CC TRDBV print using the IAT QCC Tool to access, grab, sanitize, and print. The first TRDPG response screen lists all the access codes that correspond to the forms and/or schedules filed and should NOT be provided. This screen also lists other access codes such as STAT-HIST and SSN-VALDN, which are not necessary to provide. The taxpayer should only receive information which the tax return transcript via TDS provides - a complete tax return. Input the correct access code(s) in the applicable field for each form/schedule filed and associated with that return. For more information on CC TRDBV, see IRM 2.3.73.1.1, *Command Code (CC) TRDBV General*.

NOTE: Advise the taxpayer that this is an alternative transcript and displays information differently than the typical tax return transcript due to programming limitations. Entity information, such as name, address, and dependents, may not show on the TRDBV transcript.

NOTE: The IAT QCC Tool is recommended over other methods because of the efficiency to generate the print and appearance of the final product.

6. If IAT is not available, provide the CC TRDBV print using AMS or IDRS Command Code, ensuring all forms and schedules submitted by the taxpayer are provided. Other access codes, such as STAT-HIST and SSN-VALDN, are not necessary to provide.
7. Provide the CC TRDBV print via postal mail.

CAUTION: Verify the taxpayer's address to ensure the transcript is sent to the correct address.

NOTE: Do not offer to deliver the document using Enterprise e-Fax (EEFax) or manual faxing unless you determine the taxpayer has an immediate need # [REDACTED] # and cannot wait for postal mail delivery. Each request must be considered based on the information provided by the taxpayer regarding the nature of the request. Manual faxing is only permissible when EEFax is not available.

8. Complete the contact by following IRM 21.2.3.7, *Call Closure Requirements*.

IRM 21.2.3.5.8.4.4 Editorial changes and replaced the tax return transcript with a TRDBV for when the account has not been corrected.

1. If the identity theft on the account has been resolved, provide a record of account transcript through TDS using the Document Locator Number (DLN). Select *DLN Transcript Request* from the TDS home page.
 1. Refer to IRM 21.2.3.5.3, *Selecting a Delivery Method*, to determine the delivery method.
 2. If the taxpayer is the filer of the TC 150 return, input the TC 150 DLN to generate the transcript.
 3. If the taxpayer is the filer of the TC 976 return, input the TC 976 DLN to generate the transcript.
 4. Complete the contact by following IRM 21.2.3.7, *Call Closure Requirements*.

CAUTION: Enter the SSN and DLN **carefully**. The transcript will not properly generate with an incorrect entry/mismatch in the DLN, SSN, or both the DLN and SSN. The Get Products TDS page will either display an "unrecoverable error" message or generate the record of account transcript with no tax data and containing a paragraph beginning with "Record of account transcripts are only available..." Consider using "cut & paste" to enter the SSN and DLN to help ensure a correct entry.

2. If the account has not been corrected to reflect the taxpayer's return information, do not provide a record of account transcript using TDS. Provide a CC TRDBV print via postal mail.