



WAGE AND INVESTMENT DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

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Affected IRM: 1.22.5.13 (new IRM subsection)

MEMORANDUM FOR ALL IRS OPERATING DIVISIONS AND FUNCTIONS

FROM:

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SUBJECT:

Additional Actions Needed to Further Reduce Undeliverable Mail

This memorandum issues guidance on researching and updating addresses until IRM 1.22.5, Mail and Transportation Management - Mail Operations, is published. Please distribute this information to all affected employees within your organization.

Purpose: This guidance establishes a Service-wide policy for researching and updating addresses when correspondence is returned by the United States Postal Service (USPS) with a yellow label affixed.

Scope: This guidance applies to Internal Revenue Service (IRS) employees who process undeliverable mail.

Background and Source(s) of Authority: The IRS mails more than 200 million notices and letters each year to individual and business taxpayers and their representatives. Pursuant to TIGTA audit 2019-40-074, IRS agreed to issue Service-wide policy by July 31, 2020 for researching and updating addresses when correspondence is returned with a USPS yellow label that provides a more current address.

Treas. Reg. § 301.6212-2(b)(2) and Revenue Procedure 2010-16 govern the update of a taxpayer's address in IRS records. Change to a taxpayer's address requires clear and concise notification of a different address. Under specific circumstances, clear and concise notification does include notification from the USPS.

USPS provides mail forwarding orders for a period of 12 months; at which time, the order

will expire. For six months immediately following expiration, mail sent to the taxpayer at the old address is returned to the sender with a yellow label showing the new address and the reason for non-delivery. The USPS returns undeliverable mail to the IRS with a USPS yellow label affixed to the envelope. This label often provides the most current address that the USPS has for the taxpayer based on change-of-address requests.

Procedural Change: IRS employees may change an address using information received from the USPS, National Change of Address (NCOA) database. An address obtained from the NCOA database becomes the taxpayer's last known address unless the taxpayer provides clear and concise notification of a change of address or the Service properly processes a taxpayer's federal income tax return with a different address. Upon receipt of any undelivered mail piece with an affixed USPS yellow label, an IRS office should examine, research, and update the address as follows:

- 1) If the taxpayer's name printed in the letter and what is shown on the "yellow label" are exactly the same, update the taxpayer address to the "yellow label" address.
- 2) If the taxpayer's mailing address differs from the "yellow label" and the name printed on the "yellow label" is an exact match to the correspondence, update the taxpayer's mailing address to the "yellow label" address. Reissue the correspondence to the taxpayer's updated mailing address.
- 3) If the taxpayer first name is like that on the "yellow label", but the last name is an exact match, confirm whether IRS records show any other taxpayers with similar first names and the exact same last name at the same address. If not, update the taxpayer address. Otherwise, do not update the taxpayer address.
- 4) In all other cases do not update the taxpayer address
- 5) Where the business unit requires further efforts to obtain a current address, initiate actions that include, but are not limited to:
 - i) Using the Locator Services System - Address Research (LSS-ADR) to issue Letter 2797, Undeliverable Mail System Update, known as "R U There?" to obtain the taxpayer's current mailing address, if applicable, or
 - ii) Preparing/issuing IDRS Letter 2788C, Undeliverable Mail - New Address Verification, to request verification and provide the appropriate change of address form. Include a copy of the appropriate Form 8822, Change of Address, when returning correspondence.

Effect on Other Documents: This guidance is effective immediately and will be incorporated into the appropriate IRM sections within one year from the date of this memorandum.

Effective Date: July 28, 2020

Contact: Direct any questions to Jeff Mauser, Supply Management Specialist at 469-801-0742 or Jeffrey.A.Mauser@irs.gov.

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