

IRM PROCEDURAL UPDATE

DATE: 02/05/2021

NUMBER: wi-21-0221-0222

SUBJECT: TDS Transcripts and the IRS.gov Non-Filers: Enter Payment Info Here Tool

AFFECTED IRM(s)/SUBSECTION(s): 21.2.3.5.7

CHANGE(s):

IRM 21.2.3.5.7 Added procedures to address taxpayers who used the Non-Filers: Enter Payment Info Here Tool on IRS.gov to receive their EIP and also filed a paper (amended) return.

1. TDS has the ability to generate both masked and unmasked transcripts for BMF and IMF. Refer to IRM 21.2.3.5.9.2.1, IMF Masked and Unmasked Transcripts, for requests for unmasked IMF transcripts.
2. Special circumstances may exist on IDRS that restrict the issuance of a transcript or require additional actions after requesting the transcript. For example:
 - Criminal Investigation - refer to IRM 21.5.6.4.52, -Z Freeze, and IRM 21.5.6.4.51, Z- Freeze, for specific directions when -Z or Z- freeze codes are present on the account.
 - Identity Theft - if the IAT Disclosure tool or the taxpayer indicates identity theft, follow the procedures in IRM 21.2.3.5.8, Transcripts and Identity Theft.
3. # [REDACTED]
4. Occasionally, factors on the account prevent certain transcript requests from fully processing and thus require that an alternate transcript to TDS be provided. Research CFOL Express for a list of command codes used to generate an alternate transcript.

EXAMPLE: The transcript does not display specific account activity, e.g., the secondary taxpayer plans to change her filing status to married filing separately for the next tax year. In the meantime, she makes estimated tax payments under her SSN. Because the filing status is currently married filing jointly, TDS generates the tax account transcript from the primary taxpayer's account information, which does not include the estimated tax payments.

EXAMPLE: A taxpayer filed a return that does not match the entity filing requirement, e.g., taxpayer files Form 1120-S, U.S. Income Tax Return for an S Corporation, but the requirement is Form 1120, U.S. Corporation Income Tax Return.

REMINDER: All internal IDRS transcripts must be masked to remove all PII. The Transcript Delivery System web page on SERP has an Internal IDRS Transcripts page containing reference documents on how to mask using an Adobe Acrobat tool, samples of IMF and BMF masked screens, what needs to be masked, and how those fields should display.

5. Return Request and Display (RRD) is a sub-system of Modernized e-File (MeF) which is an internal system that stores electronically filed return information. Printout requests cannot be honored, because they may not contain posted return information.
 - Offer to provide copies of a return transcript if the return has posted.
 - If the return has not posted, advise the taxpayer to contact us after the processing timeframe has passed. Refer to the processing timeframe chart in IRM 21.4.1.4(3), Refund Inquiry Response Procedures.
 - If the taxpayer requests a photocopy of his/her return, advise the taxpayer to file a Form 4506, Request for Copy of Tax Return, and to enclose the fee.
6. If you are processing a transcript request and the return meets the criteria in IRM 21.4.1.4.1.2.2, Return Found - Processing Errors Identified, a TDS transcript or an internal IDRS transcript cannot be provided. Transcription errors on these returns result in TDS displaying inaccurate tax return and record of account transcripts. The account transcript can also show inaccurate tax return information if the account has not been corrected. Internal IDRS transcripts, such as CC TRDBV, will not display the correct figures on the taxpayer's return. Letter 1722(10), Request for a Tax Return Transcript, is a replacement transcript. See IRM 21.2.3.5.7.1, Letter 1722(10), for procedures on fulfilling tax return, account, and record of account transcript requests.
7. TDS cannot be used to provide a tax return transcript until the return is available on Master File. The transcript will display a message of **No record of return filed**.
 - If the taxpayer requests a tax return transcript before the return has updated to Master File, provide the applicable timeframes and advise the taxpayer to contact the IRS after this timeframe has elapsed, see IRM 21.4.1.4(3), Refund Inquiry Response Procedures.

- If the taxpayer has an immediate need # [REDACTED] #, research CC TRDBV to determine if the return has been transcribed. If available, provide a CC TRDBV printout using the IAT Quick Command Code (QCC) Tool to access, grab, sanitize, and print. If information is not available on CC TRDBV, and appropriate processing timeframes have elapsed, follow IRM 21.4.1.4.1.1, Return Not Found.

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8. Account transcripts generated before the return has updated to Master File will be incomplete and subject to change until the return is fully processed. For example, account transcripts may display a message of "Requested Data Not Found" or display zeros as placeholders for the refund amount. Inform taxpayers account transcripts will be incomplete and content will change until the IRS has fully processed the return. Encourage taxpayers to wait until the return has processed before requesting an account transcript. The simplest and quickest way for taxpayers to get the status of their return and refund is through Check My Refund Status on IRS.gov. This site also provides certain return-specific information, when applicable, such as when a refund has been applied to a past-due obligation.
9. If the taxpayer requests a verification of non-filing letter for the current tax year prior to June 15th, encourage the taxpayer to contact the IRS after June 15 or to use Get Transcript ONLINE after June 15. If the taxpayer has an immediate need # [REDACTED] #, then issue the letter using TDS.

NOTE: June 15 is derived from the paper-processing timeframe of 6-8 weeks, based on the return being submitted April 15.

10. **This paragraph addresses verification of non-filing letter requests impacted by the Economic Impact Payment (EIP) of 2020.** The TDS verification of non-filing letter cannot be provided to taxpayers who applied for the EIP using the Non-Filers Tool as a tax return has been processed. TDS will generate a version of the letter stating, "We're sorry, but we couldn't honor the request for the above taxpayer." Instead, provide TDS Letter 3538 by referring to the SERP TDS web page, Letter 3538, for how to complete the letter and to view a sample letter. This Letter 3538 is only intended for those with no filing requirement and who applied for the EIP. IRM 21.6.3.4.2.13, Economic Impact Payments, has information about the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and payment. Before providing TDS Letter 3538, verify there is a posted EIP return; refer to paragraph 12 in IRM 21.6.3.4.2.13, Economic Impact Payments, to identify

these returns. Advise the taxpayer you are providing a substitute letter because applying for the Economic Impact Payment resulted in a Form 1040 tax return being processed by the IRS on their behalf in order to issue the payment.

NOTE: Though this is the same TDS Letter number as used in identity theft situations where a verification of non-filing letter is requested, the content of the two letters differs.

11. **This paragraph addresses verification of non-filing letter requests impacted by the Recovery Rebate Credit of 2021.** Eligible individuals with no filing requirement may file a Form 1040 Series return for tax year 2020 to claim a Recovery Rebate Credit for such reasons as not having received payment or not having received a full payment. IRS.gov has complete information. The TDS verification of non-filing letter cannot be provided because a return was processed and TDS will generate a version of the letter stating, "We're sorry, but we couldn't honor the request for the above taxpayer." Instead, provide TDS Letter 3538 by referring to the SERP TDS web page, Letter 3538, for how to complete the letter and to view a sample letter. This Letter 3538 should only be provided to those with no filing requirement and who submitted a return just to claim a Recovery Rebate Credit. Advise the taxpayer you are providing a substitute letter since a tax return was filed.

NOTE: Though this is the same TDS Letter number as used in identity theft situations where a verification of non-filing letter is requested, the content of the two letters differs.

12. Taxpayers with no filing requirement were encouraged to use the *Non-Filers: Enter Payment Info Here Tool* on IRS.gov to receive their Economic Impact Payment (EIP). Some taxpayers who were required to file decided to use this Tool despite IRS.gov guidance not to use the Tool but to file a return. These taxpayers then had to file a paper (amended) return; see IRM 21.5.3.4.17, Amended Economic Impact Payment (EIP) Return. When these taxpayers request a TDS tax return transcript or record of account transcript through self-service methods (Get Transcript, IVR, Forms 4506), the transcript will not reflect the paper (amended) return information that they filed but rather reflect the data from the return generated using the Tool (\$1 taxable interest income, \$1 total income, and \$1 AGI). Students applying for financial aid through the Department of Education are also impacted and cannot use the IRS DRT tool to complete their application as it will provide data from the return generated through the Tool rather than data from the paper (amended) return they filed. If a taxpayer is calling to request a tax return transcript or record of account transcript, select the TDS **DLN Transcript Request** link to generate the transcript using the Document Locator Number (DLN) of the paper (amended) return. The transcript can only be mailed to the taxpayer.

NOTE: Providing a transcript using the DLN is only intended for those who used the Tool and then filed a paper (amended) return. Returns filed using the Tool can be identified with \$1 taxable interest income, \$1 total income, and \$1 AGI, per IRM 21.6.3.4.2.13, Economic Impact Payments.

13. When a student has filed an amended return and requests a transcript to complete an application for financial aid, see IRM 21.2.1.61.4, Amended Returns. If this involves the student's use of the *Non-Filers: Enter Payment Info Here Tool* on IRS.gov to receive their EIP, refer to paragraph 12.
14. A wage and income transcript is not available in TDS until May 23, 2021, for the current processing year. A wage and income transcript requested prior to that date will display a message of "No record of return filed" instead of displaying actual wage and income information. Encourage the taxpayer to contact the IRS after May 23, 2021. If the taxpayer has an immediate need # [REDACTED] #, then provide CC IRPTRW by using the IAT QCC Tool to access, grab, sanitize, and print.

REMINDER: Complete income information may not display until all the earnings are reported, usually by July of the following year.

REMINDER: All internal IDRS transcripts must be masked to remove all PII. The Transcript Delivery System web page on SERP has an Internal IDRS Transcripts page containing reference documents on how to mask using an Adobe Acrobat tool, samples of IMF and BMF masked screens, what needs to be masked, and how those fields should display. # [REDACTED] #

15. The IRS follows laws which dictate the length of time records, in hard copy and electronic format, need to be managed, retained, and archived in accordance with the National Archives and Records Administration (NARA) approved records retention and disposition authority. All records are required, under the Federal Records Act, to be efficiently managed until final disposition. Taxpayers requesting transcripts for years which are no longer available can complete Form 4506, Request for Copy of Tax Return, if a copy of their tax return will meet their needs. The IRS refunds the fee if unable to retrieve the tax return requested. IMF taxpayers can also contact the Social Security Administration per IRM 3.5.20.3.7.1, Procedures for Wage and Income Information.
16. If the taxpayer requests a date stamp on a transcript, explain that the IRS does not date stamp any transcript, including a TRDBV or a TDS Letter 3538. The presence of a date stamp does not change the validity of a transcript.
17. Every year, large business accounts with a potential for creating complex processing problems are identified. These customers are designated by a Large Corp Indicator (LCI) number on IDRS. LCI customers requesting internal transcripts (e.g., CC TXMOD, MFTRA, ENMOD), should be referred to the Large Corp Unit, which will fulfill the request; see IRM 21.7.1.4.11.3,

Routing Large Corp Cases and Inquiries. LCI customers requesting TDS transcripts do not require a referral to the Large Corp Unit.