IRM PROCEDURAL UPDATE

DATE: 11/25/2019

NUMBER: wi-21-1119-1222

SUBJECT: Letter 1722(IO) as a Substitute Transcript

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

CHANGE(s):

IRM 21.2.3.5.7. Added a new paragraph for Letter 1722(IO).

1. TDS has the ability to generate both the new, masked (redacted) and the unmasked (unredacted) transcripts for IMF. There are special procedures when an unmasked transcript is requested; see IRM 21.2.3.5.9.2.1, *IMF Masked and Unmasked 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. # ███
███
███
███
███
███
#

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.
    o Offer to provide copies of a return transcript if the return has posted.
    o 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*.
    o If the taxpayer requests a photocopy of his/her return, advise to file a Form 4506, *Request for Copy of Tax Return*, and 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(IO), *Request for a Tax Return Transcript*, is a replacement transcript. See IRM 21.2.3.5.7.1, *Letter 1722(IO)*, 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.**
    o 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*.
    o If the taxpayer has an immediate need **#**████████████ ██████████████ **#**, research CC TRDBV to determine if the return has been transcribed. If available, provide a CC TRDBV printout using the IAT 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.*

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.

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 that 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 Where's My Refund? on IRS.gov. Where's My Refund? 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 prior to June 15th for the current tax year, 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 #███████████████████████████████████#, 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. Wage and income information is not available in TDS until May 20, 2019 for the current processing year. A wage and income transcript requested prior to that time will display a message of "No record of return filed." Encourage the taxpayer to contact the IRS after May 20, 2019. If the taxpayer has an immediate need #███████████████████████████████████#, then provide CC IRPTRW by using the IAT QCC Tool to access, grab, sanitize, and print.

REMINDER: Complete income information may not be available 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. #██ #

11. 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*.
12. 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 Form W-2 Tax Information*.
13. 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.
14. 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 who 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.

IRM 21.2.3.5.7.1. Added a new subsection for issuing Letter 1722(IO).

1. If the return meets the criteria in IRM 21.4.1.4.1.2.2, *Return Found - Processing Errors Identified*, and the account has **not been** adjusted yet, see paragraphs (2) and (3) for referral procedures. If the account **has been** adjusted, see paragraph (4).
2. Follow the referral procedures in IRM 21.4.1.4.1.2.2, *Return Found – Processing Errors Identified.* Also inform the caller the transcript(s) will be mailed once the adjustments are made and to allow an additional 5-10 calendar days for receipt.
3. In the referral to Fresno, include what transcript(s) is being requested and what to mail to the taxpayer after the account has been corrected, based on the following:
   o For a tax return transcript, provide Letter 1722(IO).
   o For a record of account transcript, provide Letter 1722(IO) and a TDS account transcript.
   o For an account transcript, provide a TDS account transcript.
4. If research shows the account **has been** adjusted and the return is on CIS, then provide the following, as applicable:
   o For a tax return transcript, provide Letter 1722(IO).
   o For a record of account transcript, provide Letter 1722(IO) and a TDS account transcript.

- o For an account transcript, provide the TDS account transcript.
5. If research shows the account **has been** adjusted but the return is **not** on CIS, and the caller requests an account transcript, then provide one through TDS postal mail. If the caller requests a tax return or record of account transcript, do a referral using "ESTABD" as the referral type since the return must be ordered to complete Letter 1722(IO). Include in the Notes what transcript(s) is being requested and what to mail, based on the following:
    - o For a tax return transcript, provide Letter 1722(IO).
    - o For a record of account transcript, provide Letter 1722(IO) and a TDS account transcript.
6. Only masked transcripts can be provided. To generate Letter 1722(IO), do the following:
    1. Access Letter 1722(IO) from the Publishing site.
    2. Enter the Request and Response dates based on when the initial transcript request was made by the taxpayer and the date Letter 1722(IO) was mailed. Both fields have a drop-down calendar.
    3. Enter the last four digits of the taxpayer's SSN in the TIN field, keeping the "X" as placeholders for masked digits.
    4. For the Contact telephone number, enter the last four numbers for IMF (1040) or BMF (4933), as applicable.
    5. For the Recipient Name and Address, follow Masking Criteria and Field Display. Delete the extra two address lines.
    6. Enter the tax year.
    7. Complete the remaining rows, as applicable, following Masking Criteria and Field Display. The Dependents row allows for a drop-down if needed. The Additional information row allows for a drop-down if the taxpayer requests certain data beyond what the other rows provide.
    8. For the closing sentence, enter the same IMF or BMF telephone number extension as earlier.

NOTE: Throughout Letter 1722(IO), before printing, delete all brackets around the fill-in fields having brackets, such as the bracket around Recipient name.

NOTE: Letter 1722(IO) and the TDS transcripts can only be mailed to the taxpayer or authorized representative.