

IRM PROCEDURAL UPDATE

DATE: 10/19/2020

NUMBER: wi-25-1020-1123

SUBJECT: TPP E-fax Case Processing for Field Assistance, Balance Due Return Review & Non-Filer Returns Selected for TPP

AFFECTED IRM(s)/SUBSECTION(s): 25.25.6

CHANGE(s):

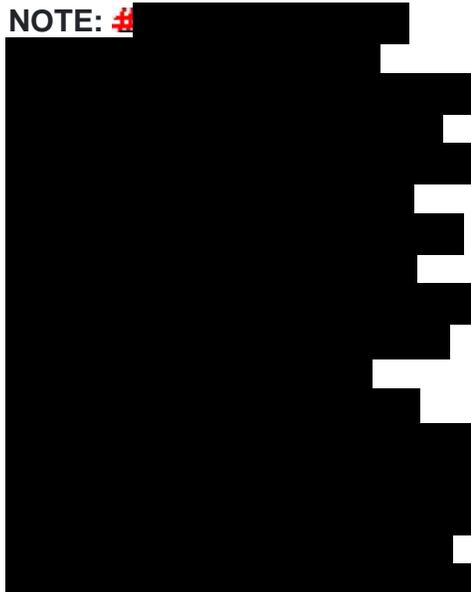
IRM 25.25.6.2.2.1(1) - Identified e-fax instructions for Field Assistance employees throughout If/Then chart and specified FA will utilize applicable systems for research and an exception for case controls to be updated using activity control "FATPPEFAX". Included temporary guidance due to COVID-19 impact for expired driver's licenses or identification cards used for authentication purposes.

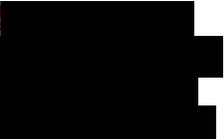
1. The taxpayer has provided the required documentation, follow the chart below:

ACTION	DETERMINATION	THEN
<p>1</p> <p>Review the documentation to verify the requested documents were submitted and appear valid based on internal and/or external sources, as necessary, such as IDRS, Electronic Fraud Detection System (EFDS), Accurint, etc.</p> <p>NOTE: Documentation review along with account research must be completed and considered in order to make an identity determination.</p> <p>Requested Documentation:</p> <ul style="list-style-type: none">• TPP letter• An unsigned copy of the return they filed (current year/prior year)	<p>The documentation is considered valid</p>	<p>Consider the identity authenticated and continue to paragraph 2</p>

- An unsigned copy of the return for a year prior to the one in question (if they filed one)
- Any supporting documents for each return such as Forms W-2, Forms 1099, Schedule C, Schedule F etc.
- The documentation needed to authenticate their identity, see IRM 25.23.2.7.2.1 (3), *Returns Selected by Identity Theft Filters - Taxpayers Visiting the TAC*, for acceptable documentation.
****Follow temporary guidance due to COVID-19 impact****
- Taxpayers may provide an expired ID or driver's license for TPP authentication. Review the photo ID/DL and expiration date, if the card expired in 2020, accept the expired ID/DL. The taxpayer may provide an electronic or print out copy of a renewal appointment or extension granted by the state to complete authentication.

NOTE: #



<p>NOTE: Documentation review along with account research, must be completed and considered in order to make an identity determination.</p> <p>Requested Documentation:</p> <ul style="list-style-type: none"> • TPP letter • An unsigned copy of the return they filed (current year/prior year) • An unsigned copy of the return for a year prior to the one in question (if they filed one) • Any supporting documents for each return such as Forms W-2, Forms 1099, Schedule C, Schedule F etc. • The documentation needed to authenticate their identity, see IRM 25.23.2.7.2.1 (3), <i>Returns Selected by Identity Theft Filters - Taxpayers Visiting the TAC</i>, for acceptable documentation. • **Follow temporary guidance due to COVID-19 impact** Taxpayers may provide an expired ID or driver's license for TPP authentication. Review the photo ID/DL and expiration date, if the card expired in 2020, accept the expired ID/DL. The taxpayer may provide an electronic or print out copy of a renewal appointment or extension granted by the state to complete authentication. <p>EXCEPTION: # </p>		<p>assigned by management using activity control "FATPPEFAX".</p>
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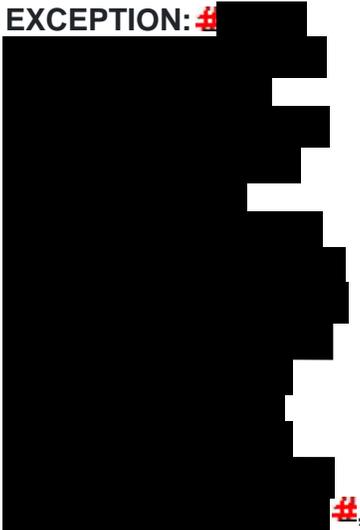
<p>[REDACTED]</p> <p>#</p> <p>NOTE: # [REDACTED]</p> <p>[REDACTED]</p> <p>#</p>		
<p>4</p> <p>For RICS and Field Assistance Employees</p> <p>If the taxpayer submits documentation to verify their identity via e-fax due to TAC office closures, and the documentation received is incomplete, cannot be verified, appears invalid or meets the Exception in box 3.</p>		<p>Consider their identity not authenticated, see IRM 25.25.6.2.2.2, <i>Complete Documentation Not Provided or Invalid</i></p>

IRM 25.25.6.2.2.2(1) Boxes 4-5 - Identified e-fax instructions for Field Assistance employees in If/Then chart to provide FA activity control will be "FATPEFAX". Added clarification in box 5 to clarify verbiage for cases that do not meet the exception.

1. The taxpayer has not provided any or all of the recommended or requested documentation and an identity determination **cannot** be made based on the information provided or through research. #



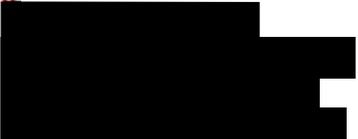
#. Follow the chart below to resolve the account and respond to the taxpayer:

IF	AND	THEN
<p>1</p> <p>Accounts Management Services (AMS) notes do not indicate the taxpayer contacted the IRS by phone or in person.</p> <p>EXCEPTION: If the taxpayer is responding to the Letter 5747C or the account contains a transaction code (TC) 971 action code (AC) 123 with a MISC field of "TAC AUTH ONLY" or the account contains a TC 971 AC 123 "HIGH RISK AUTH", see IRM 25.25.6.2.2.3, <i>Responses to Letter 5747C (Letter Reply Procedures)</i>.</p>	<p>A telephone number is provided on the response.</p>	<ul style="list-style-type: none"> • Contact the taxpayer by telephone and perform authentication, see IRM 25.25.6.3, <i>Taxpayer Protection Program (TPP) Basic Authentication and Research</i>. • IRM 25.25.6.4, <i>Taxpayer Protection Program (TPP) High Risk Authentication (HRA) Procedures</i>. • If the taxpayer does not pass authentication, see IRM 25.25.6.6.6, <i>Referring the Caller to the Taxpayer Assistance Center (TAC) - Non-Taxpayer Protection Program Assistors</i>. <p>EXCEPTION: #</p>  <p>#,</p> <p>see Exhibit 2.3.32-7, <i>IMF</i></p>

		<p><i>Entity Data</i>, for valid values.</p> <ul style="list-style-type: none"> • Close the RIVO control base with an activity field of "FAILEDAUTH" or "RTN2PROC", as appropriate. • Document authentication results in AMS as appropriate, see IRM 21.2.2.4.5, <i>Account Management Services (AMS)</i>. Select the appropriate issue, see Exhibit 25.25.6-6, <i>Account Management Services (AMS) Issues for Taxpayer Protection Program (TPP) Inquiries</i>. • Destroy the response as classified waste, including any signed or unsigned returns. • If the taxpayer can be authenticated, see IRM 25.25.6.2.2.1, <i>Documentation Received</i>.
<p>2</p> <p>AMS notes do not indicate the taxpayer contacted the IRS by phone or in person.</p>	<p>The taxpayer could not be reached at the telephone number or a telephone number was not provided.</p>	<ul style="list-style-type: none"> • Issue the Letter 6167C , <i>Identity Authentication Incomplete</i>, with an open paragraph (use an (*) to insert the open paragraph) advising their identity could not be authenticated based on the information provided and include the following in the letter: <ul style="list-style-type: none"> -Include paragraph "D" and an open paragraph -Specify which supporting document was missing or unacceptable -Advise the taxpayer they can also visit their local TAC office. See IRM 25.25.6.6.6, <i>Referring the</i>

		<p><i>Caller to the Taxpayer Assistance Center (TAC) - Non-Taxpayer Protection Program Assistors, for the verbiage to be included in the letter.</i></p> <p>EXCEPTION: # [REDACTED]</p> <p>[REDACTED] #, see Exhibit 2.3.32-7, <i>IMF Entity Data</i>, for valid values.</p> <ul style="list-style-type: none"> • Close the RIVO control base with an activity field of "SENT2TAC". • Document authentication results in AMS as appropriate, see IRM 21.2.2.4.5, <i>Account Management Services (AMS)</i>. Select the appropriate issue, see Exhibit 25.25.6-6, <i>Account Management Services (AMS) Issues for Taxpayer Protection Program (TPP) Inquiries</i>. • Destroy the response as classified waste, including any signed or unsigned returns.
<p>3</p> <p>The response or AMS notes indicate the taxpayer previously contacted the IRS and failed authentication and was</p>	<p>Their response contained insufficient documentation to authenticate</p>	<ul style="list-style-type: none"> • Issue the Letter 6167C, <i>Identity Authentication Incomplete</i>, with an open paragraph (use an (*) to insert the open paragraph) advising their identity could not be authenticated

<p>advised to mail in their response</p>		<p>based on the information provided and include the following in the letter:</p> <ul style="list-style-type: none"> -Include paragraph "D" -Specify which supporting document was missing or unacceptable in the open paragraph. <ul style="list-style-type: none"> • Use Form 3699, <i>Return of Documents to Taxpayer</i>, to return original documents. • Document authentication results in AMS as appropriate, see IRM 21.2.2.4.5, <i>Account Management Services (AMS)</i>. Select the appropriate issue, see Exhibit 25.25.6-6, <i>Account Management Services (AMS) Issues for Taxpayer Protection Program (TPP) Inquiries</i> • Close your control base.
<p>4</p> <p>For RICS and Field Assistance Employees</p> <p>If the taxpayer submits documentation to verify their identity via e-fax due to TAC office closures or due to COVID-19 reasons or restrictions, as instructed,</p> <p>And</p> <p>the documentation received by e-fax is incomplete or cannot be verified or appears invalid based on internal and/or external sources, as necessary, such as IDRS, Electronic</p>		<ul style="list-style-type: none"> • Issue the Letter 6167C, <i>Identity Authentication Incomplete</i>, with an open paragraph (use an (*) to insert the open paragraph) advising their identity could not be authenticated based on the information provided and include the following in the letter: <ul style="list-style-type: none"> -Include paragraph "D" and an open paragraph -Specify what supporting documentation was missing or unacceptable -Request the documentation be submitted through our e-fax number # [REDACTED] #. <p>NOTE: E-fax cases must be controlled on IDRS as follows:</p>

<p>Fraud Detection System (EFDS), Accurint, etc.</p> <p>NOTE: Field Assistance employees will use applicable systems for research.</p>		<p>-Use received date of fax -Use activity code "TPPFAXMMDD" -Use "A" status for active case -Use TPP letter# as category code. -Field Assistance cases will have activity control "FATPPEFAX"</p> <ul style="list-style-type: none"> • Once the letter is issued, update activity code to "6167C2TP" and close your control base with "C". • Document authentication results in AMS as appropriate, see IRM 21.2.2.4.5, <i>Account Management Services (AMS)</i>. AMS notes should include the specific reason (i.e. missing ID or fax was unreadable) the taxpayer could not be authenticated. Select the appropriate issue, see Exhibit 25.25.6-6, <i>Account Management Services (AMS) Issues for Taxpayer Protection Program (TPP) Inquiries</i>.
<p>5</p> <p>For RICS and Field Assistance Employees</p> <p>The taxpayer e-fax case meets the exception below, but AMS notes are not updated.</p> <p># </p>		<p>Reissue Letter 5747C, <i>Potential Identity Theft during Original Processing - TAC AUTH ONLY</i>, issued on accounts with a TC 971 AC 123 with "TAC AUTH ONLY" in the MISC field or "HIGH RISK AUTH" (5747SP - Spanish version). The letter comes with the online verification option that instructs the taxpayer to use the idverify website at www.idverify.irs.gov to authenticate their identity and also provides the option to visit their local Taxpayer Assistance Center (TAC) for in-person visits.</p>

 <p>#</p>		
<p>6</p> <p>The response or AMS notes indicate the taxpayer contacted the TPP toll-free line, failed authentication, was referred to the TAC and failed authentication at the TAC.</p>		<ul style="list-style-type: none"> • Send the Letter 5216, <i>Taxpayer Cannot Authenticate</i>, to the address on the return, see Exhibit 25.25.6-1, <i>Taxpayer Protection Program (TPP) Repeater Letter 5216 - Taxpayer Cannot Authenticate</i>. • Close the RIVO control base with an activity field of "FAILEDAUTH". • Document authentication results in AMS as appropriate, see IRM 21.2.2.4.5, <i>Account Management Services (AMS)</i>. Select the appropriate issue, see Exhibit 25.25.6-6, <i>Account Management Services (AMS) Issues for Taxpayer Protection Program (TPP) Inquiries</i>. • Destroy the response as classified waste, including any signed or unsigned returns.

IRM 25.25.6.3(1) - Removed old transfer extension. IRM 25.25.6.3(3) Note - Added non-filer returns can also be selected for the TPP authentication process and a letter marker may not always generate but a letter was issued.

1. Customer Service Representatives (CSRs) answering the Taxpayer Protection Program (TPP) line application 018 and 019 (Spanish speaking line) must follow the procedures in this section to authenticate callers. When a TPP assistor is transferring a call to the Spanish speaking line, the TPP telephone assistor should transfer to IUP#1019.
2. TPP phone calls from the taxpayer may be received in response to one of the following letters:

NOTE: The CC TXMODA may contain a TC 971 AC 123 with the letter number in the miscellaneous field.

- Letter 4883C, *Potential Identity Theft during Original Processing* - issued on accounts for returns filed with an address in the United States. The account may contain a TC 971 AC 123 with a MISC field of "STEP-UP AUTH" (4883SP - Spanish version)
 - Letter 5447C, *Potential Identity Theft during Original Processing; Foreign Address* - issued on accounts for returns filed with an address outside the United States (5447SP - Spanish version)
 - Letter 5747C, *Potential Identity Theft during Original Processing - TAC AUTH ONLY* - issued on accounts containing a TC 971 AC 123 with a MISC field of "TAC AUTH ONLY") or a TC 971 AC 123 with a MISC field of "HIGH RISK AUTH" (5747SP - Spanish version). The letter comes with the online verification option that instructs the taxpayer to use the idverify website at www.idverify.irs.gov to authenticate their identity and also provides the option to visit their local Taxpayer Assistance Center (TAC) for in-person visits.
 - Letter 5071C, *Potential Identity Theft During Original Processing with Online Option* - this letter is being issued for accounts meeting specific criteria. The letters will provide a web address to the Identity Verification Service landing page located via the IRS.gov website. The letter provides the option of using the website or calling the TPP number to authenticate their identity. If the caller chose not to use the idverify website, states they had issues with the website, were confused with the process, or had other concerns with responding to the questions, apologize for the inconvenience and continue with the authentication process. Resolve responses to the Letter 5071C using the instructions for the Letter 4883C. **DO NOT** issue the Letter 5071C manually, issue the Letter 4883C instead.
3. Because the return has already been identified as potential identity theft, there is a high risk of unauthorized disclosure. Enhanced authentication procedures must be followed to avoid inadvertent unauthorized disclosure of taxpayer information.

NOTE: The tax return selected for the TPP authentication process could be a refund or balance due return, including a non-filer tax return filed for the Economic Impact Payment (EIP). Some non-filer returns selected for TPP authentication will not contain a TPP letter marker TC 971 AC 123 with MISC field, but a letter will generate.

IRM 25.25.6.5.1(2) - Updated verbiage for balance due return review and conducting additional research.

2. Due to data breaches and account takeovers, all TPP returns filed by the taxpayer identification number (TIN) owner must be verified to ensure the information has not been changed without their permission. Confirm the return in question is the taxpayer's return by asking the taxpayer for the following information:

- The address as it appears on the return

REMINDER: No address will appear on the return on CC TRDBV if the return is paper filed and contains the same address as the address on CC ENMOD at the time the return was received.

- The overpayment amount as it is shown on their return (The taxpayer must provide the overpayment amount from the appropriate line in the **Refund** section on the actual tax form they filed. They cannot provide an amount that was provided by the preparer or from a preparer's summary page since that figure may be less due to charges the preparer is deducting from the refund.)

NOTE: If Error Resolution (ERS) made a correction to the return during processing, the overpayment amount provided by the taxpayer may not match the refund amount as shown on the return in CC TRDBV. Review CC TRDBV for ERS corrections, CC ENMOD to determine if ERS issued a Letter 12C, or the MeFile record for ERS involvement and corrections. If there is a mismatch in the refund amount provided by the taxpayer and there is an indication of ERS involvement, accept the return corrected by ERS as the taxpayer's return.

- The refund type:
 - A paper check to their address
 - A credit elect to the next tax year
 - A direct deposit (current tax year only)
- If the refund is a direct deposit, obtain the routing number for the bank and the bank account number (current tax year only)

NOTE: If CC TRDBV or MEF RRD indicates the refund is a Refund Anticipation Loan (RAL) or Refund Anticipation Check (RAC), see IRM

21.4.1.5.7, *Direct Deposits - General Information*, for RAL/RAC indicators, or if the taxpayer is receiving their refund via a refund transfer product such as a debit card, see Exhibit 21.4.1-2, *Most Common Banks That Offer Refund Transfer Products (RAL/RAC)*, for the common RTNs. The account number for the RAL/RAC direct deposit may contain the TIN of the taxpayer. Verify the RAL/RAC information if the taxpayer can provide the RAL/RAC information from the return. If the RAL/RAC information cannot be verified, then confirm, at the very least, that the taxpayer has agreed to a RAL/RAC or refund transfer product. If the return was filed electronically, the final refund destination, also known as the ultimate bank account, may be present on the last page of the CC TRDBV return view screen, which may contain the taxpayer's bank information. If the ultimate bank account information is present, verify the ultimate bank account information with the taxpayer.

- For balance due returns, the taxpayer should verify the following information from the return:
 - Request the balance due amount and verify the IDRS total matches the return.
 - Were ES payments made? If yes, how much? Does the amount or total match tax return? If the account reflects payments not confirmed by caller, conduct additional research to determine possible posting error.
 - Credit elect? If yes, how much? Does the amount or total match tax return? If the account reflects totals not confirmed by caller, conduct additional research to determine possible posting error.
 - If the taxpayer is unable to confirm balance due amount, ES payments or credit elect information or indicates they do not have a copy of the tax return, follow the instruction in If/Then chart below box 1.

IRM 25.25.6.5.2(4) - Updated verbiage for balance due return review and conducting additional research.

4. Due to data breaches and account takeovers, all Taxpayer Protection Program (TPP) returns filed by the taxpayer identification number (TIN) owner must be verified to ensure the information was not changed without their permission. Confirm the return in question is the taxpayer's return by asking the taxpayer for the following information:
 - The address as it appears on the return

REMINDER: No address will appear on the return on CC TRDBV if the return is paper filed and contains the same address as the address on CC ENMOD at the time the return was received.

- The overpayment amount as it is shown on their return (The taxpayer must provide the overpayment amount from the appropriate refund line in the **Refund** section on the actual tax form they filed. They cannot provide an amount that was provided by the preparer or from a preparer's summary page since that figure may be less due to charges the preparer is deducting from the refund.)

NOTE: If Error Resolution (ERS) made a correction to the return during processing, the overpayment amount provided by the taxpayer may not match the refund amount in CC TRDBV. Review CC TRDBV for ERS corrections, CC ENMOD to determine if ERS issued a Letter 12C, *Individual Return Incomplete for Processing: Forms 1040, 1040A or 1040EZ*, or the MeFile record for ERS involvement and corrections. If there is a mismatch in the refund amount provided by the taxpayer and there is an indication of ERS involvement, accept the return corrected by ERS as the taxpayer's return.

- The refund type:
 - A paper check to their address
 - A credit elect to the next tax year
 - A direct deposit (current tax year only)
- If the refund is a direct deposit, obtain the routing number for the bank and the bank account number (current tax year only)

NOTE: If CC TRDBV or MEF RRD indicates the refund is a Refund Anticipation Loan (RAL) or Refund Anticipation Check (RAC), see IRM 21.4.1.5.7, *Direct Deposits - General Information*, for RAL/RAC indicators, or if the taxpayer is receiving their refund via a refund transfer product such as a debit card, see Exhibit 21.4.1-2, *Most Common Banks That Offer Refund Transfer Products (RAL/RAC)*, for the common Routing Transit Numbers (RTNs). The account number for the RAL/RAC direct deposit may contain the TIN of the taxpayer. Verify the RAL/RAC information if the taxpayer can provide the RAL/RAC information from the return. If the RAL/RAC information cannot be verified, then confirm, at the very least, that the taxpayer has agreed to a RAL/RAC or refund transfer product. If the return was filed electronically, the final refund destination, also known as the ultimate bank account, may be present on the last page of the CC TRDBV return view screen, which may contain the taxpayer's bank information. If the ultimate bank account information is present, verify the ultimate bank account information with the taxpayer.

- For balance due returns, the taxpayer should verify the following information from the return:
 - Request the balance due amount and verify the IDRS total matches the return.
 - Were ES payments made? If yes, how much? Does the amount or total match tax return? If the account reflects payments not confirmed

by caller, conduct additional research to determine possible posting error.

-Credit elect? If yes, how much? Does the amount or total match tax return? If the account reflects totals not confirmed by caller, conduct additional research to determine possible posting error.

-If the taxpayer is unable to confirm balance due amount, ES payments or credit elect information or indicates they do not have a copy of the tax return, follow instructions in If/Then chart box 1 below.