

## IRM PROCEDURAL UPDATE

**DATE: 05/30/2017**

**NUMBER: wi-21-0517-0929**

**SUBJECT: Large Corps, Identity Theft, Internal Transcripts**

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

**CHANGE(s):**

### **IRM 21.2.3.5.7 Added Large Corp Indicator procedures.**

1. 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*.
2. Requests for prints of IDRS data should not be honored if the information is available using TDS. Encourage the taxpayer to accept the TDS transcript instead. If the information is not available on TDS, or the taxpayer insists on an IDRS print, refer to IRM 21.2.3.5.9.5, *Internal IDRS Transcript Processing*.
3. 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*.

4. 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 21.4.1.3(2), *Refund Inquiry Response Procedures*.
  - 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.
5. TDS cannot be used to provide a tax return transcript until the return is available on Master File.
- 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 IRS after this timeframe has elapsed, see IRM 21.4.1.3(2), *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 QCC Tool to access, grab, sanitize, and print. If information is not available on CC TRDBV, and appropriate processing timeframes have elapsed, follow IRM 21.4.1.3.1.1, *Return Not Found*.
6. If the taxpayer requests a verification of non-filing letter prior to June 15th for the current tax year, encourage the taxpayer to contact IRS 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.

7. Wage and income information is not available in TDS until late March 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 IRS starting in April. If the taxpayer has an immediate need # [REDACTED] #, then provide CC IRPTR.

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

8. 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*.
9. IRS follows laws which dictate the length of time records need to be retained. 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. 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*.

10. 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.
11. 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. Follow IRM 21.7.1.4.11.3, *Routing Large Corp Cases and Inquiries*, to identify these customers and refer them to the Large Corp Unit who will fulfill the transcript request.

**IRM 21.2.3.5.8.4.1 Removed the content about providing a record of account transcript instead of the tax return transcript as the Tax Period Ending date now populates on the tax return transcript.**

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.
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 21.2.3.5.9.1 Added a Note about Large Corps.**

1. Conduct full authentication as outlined in IRM 21.1.3.2.3, *Required Taxpayer Authentication*. If the taxpayer cannot pass authentication, instruct the taxpayer to obtain their tax documents and personal information and call the IRS back. If the taxpayer still cannot authenticate, instruct the taxpayer to submit Form 4506-T, per IRM 21.1.3.2.3(8)(Note), *Required Taxpayer Authentication*. If the taxpayer requests expedited service, provide the toll-free number, 1-844-545-5640, for the taxpayer to schedule a TAC appointment. Inform the taxpayer the appointment date may not be immediate depending on office availability. Document the failed authentication attempt and TAC referral in AMS.

**REMINDER:** Only when expedited service is needed and telephone assistance has been exhausted can a taxpayer be directed to the TAC.

**CAUTION:** See IRM 21.1.3.9, *Mailing and Faxing Tax Account Information*, for transcript mailing and faxing restrictions.

2. Identify any account issues on IDRS or AMS that would prohibit the issuance of a transcript. Refer to IRM 21.2.3.5.7, *Transcript Restrictions and Special Handling*, for examples of these conditions.

**NOTE:** Large Corp Program customers must be referred, see IRM 21.2.3.5.7(11), *Transcript Restrictions and Special Handling*.

3. Identify which type of transcript will meet the taxpayer's needs. Refer to IRM 21.2.3.5.2, *Selecting the Type of Transcript*.
4. Use TDS to order tax account, tax return, and record of account transcripts. TDS does not currently support all forms. Refer to (6) below for transcripts not supported by TDS. While using TDS, refer to IRM 21.2.3.5.3, *Selecting a Delivery Method*.

**NOTE:** It is not necessary to input the taxpayer's name and address into TDS if the transcript is being mailed to the taxpayer's address of record. If the transcript is being mailed to a different address or the taxpayer's name has changed, select Postal Mail as the Delivery Method and complete the "Recipient's First Name, MI" and "Recipient's Last Name/Business Name" fields. Click Continue and complete the remaining required address fields.

**CAUTION:** When entering a mailing address into TDS, be very careful to complete address fields correctly and ensure the right country is selected for "Recipient's Country."

5. If TDS is not available (entire application is down), advise the taxpayer that the system required for you to provide assistance is unavailable. Suggest the taxpayer contact IRS at a later time. If the taxpayer then indicates an immediate need # [REDACTED] #, follow the chart below.

**NOTE:** If a specific TDS feature needed to fulfill the transcript request is not operational, do not process the transcript request. Follow IRM 21.3.5.4.2.3, *Required Systems Unavailable*.

<b>Transcript Type</b>	<b>If TDS is Unavailable:</b>	<b>If IAT is Unavailable:</b>
Tax Account	Use IAT QCC Tool to access, grab, sanitize, and print CC BMFOLT documents	Taxpayer must submit Form 4506-T
Tax Return	<p>a. Use IAT Fill Forms to prepare a “Dummy Return” for employment tax returns,</p> <p>OR</p> <p>b. Use IAT QCC Tool to access, grab, sanitize, and print CC TRDBV, CC TXMOD, or CC BRTVU for income tax returns</p>	Taxpayer must submit Form 4506-T
Record of Account	Use IAT to generate a tax account and tax return transcript as explained in the two rows above for tax account and tax return	Taxpayer must submit Form 4506-T

**CAUTION:** CC TRDBV may display tax return information that was rejected during processing. When CC TRDBV shows return information that is not posted to Master File, do not provide a CC TRDBV print as a substitute tax return transcript. Provide CC TXMOD or CC BRTVU as they accurately show that a return has not been processed to the system.

6. Not all BMF transcript types are available on TDS at this time. See IRM 21.2.3.3.1, *Assistor Provided through Transcript Delivery System*, for supported forms. For transcript types not available on TDS, follow directions in the chart below. Always advise the taxpayer of the processing timeframe for the request.

<b>Transcript Type</b>	<b>BMF assistors should use:</b>	<b>If IDRS is Unavailable:</b>
Wage and Income. <b>NOTE:</b> For CAWR inquiries, refer to IRM	a. Use IAT QCC Tool to access, grab, sanitize, and print CC IRPTRW for payee requests,	Follow IRM 21.3.5.4.2.3, <i>Required Systems Unavailable</i> .

4.19.4, <i>CAWR Reconciliation Balancing.</i>	<p style="text-align: center;"><b>OR</b></p> <p>b. For hard copy payer documents, if CC IRPTRI does not provide all of the requested information, then prepare a Form 4442, <i>Inquiry Referral</i> per IRM 21.3.5.2(1), <i>What is a Referral?</i>. Include in the referral to order CC IRPTRR and retrieve the documents from Control-D. Advise the caller it can take between 30 and 45 days for a response.</p>	
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**CAUTION:** The assistor is responsible for protecting the security of taxpayer information. Follow IRM 21.2.3.6, *Sanitizing IDRS Transcripts*, for rules regarding sanitizing IDRS information prior to delivery to the taxpayer.

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

**IRM 21.2.3.5.9.5 Expanded upon internal transcripts and the authorization to receive the account data.**

1. Taxpayers may ask for specific information not contained on a TDS transcript, such as statute dates, entity changes, or a history of letters sent. Taxpayers may also ask for specific, internal IDRS prints, not available through TDS. Examples include: CC MFTRAX, CC TXMOD, CC BRTVU/RTVUE, CC ENMOD, CC BMFOL/IMFOL, and others.

**CAUTION:** Internal transcripts, such as IDRS prints, can only be provided for forms and periods for which a third party has been authorized. Any tax information beyond the scope of what was authorized must be removed before providing the IDRS print to the third party.

2. Requests for these products should not be honored if the information is available using TDS. Encourage the taxpayer to accept a TDS transcript instead. If the information is not available on TDS, or the taxpayer insists on an IDRS print, then the print can be provided using the IAT Quick Command Code Tool. IDRS references include CFOL Express, and the IDRS Command Codes Job Aid.
3. Prior to providing internal transcripts to the taxpayer, sanitization is necessary to ensure that no inappropriate disclosures are made. Follow IRM 21.2.3.6, *Sanitizing IDRS Transcripts*.

4. Determine the delivery method based on the taxpayer's requested timeframe. Manual faxing is only permissible when Enterprise e-Fax (EEFax) is not available.

**CAUTION:** See IRM 21.1.3.9, *Mailing and Faxing Tax Account Information*, for transcript mailing and faxing restrictions. If the taxpayer is using a third party e-fax service provider as defined in (3) of IRM 21.2.3.5.5, *Using Electronic Fax Services*, then a valid, written consent from the taxpayer designating the e-fax service provider as a recipient of tax information is required.

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