



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.29.1

SEPTEMBER 2, 2025

EFFECTIVE DATE

(09-02-2025)

PURPOSE

- (1) This transmits revised IRM 25.29.1, Tax Compliance Check, Standard Tax Compliance Checks for Suitability and Monitoring.

MATERIAL CHANGES

- (1) IRM 25.29.1.1.7, Terms/Acronyms moved after IRM 25.29.1.1.5, Program Controls and renumbered IRM 25.29.1.1.6.
- (2) Throughout this IRM, editorial changes were made, such as updating links and putting the terms in alphabetical order.

EFFECT ON OTHER DOCUMENTS

IRM 25.29.1, Tax Compliance Check, Standard Tax Compliance Checks for Suitability and Monitoring, dated November 24, 2023, is superseded.

AUDIENCE

All business units that process tax compliance checks for suitability determinations and monitoring tax compliance.

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25.29.1

Standard Tax Compliance Checks for Suitability and Monitoring

Table of Contents

25.29.1.1 Program Scope and Objectives

25.29.1.1.1 Background

25.29.1.1.2 Authorities

25.29.1.1.3 Responsibilities

25.29.1.1.4 Program Management and Review

25.29.1.1.5 Program Controls

25.29.1.1.6 Terms and Acronyms

25.29.1.1.7 Related Resources

25.29.1.2 Standard Tax Compliance Checks - Overview

25.29.1.3 Tax Compliance Result

25.29.1.1
(08-18-2021)
Program Scope and Objectives

- (1) **Purpose:** This IRM transmits the standardized tax compliance check criteria used for employment suitability determinations and monitoring employee/contractor tax compliance.
- (2) **Audience:** All business units that process tax compliance checks for suitability determinations and monitoring employee/contractor tax compliance.
- (3) **Policy Owner:** Human Capital Office (HCO).
- (4) **Program Owner:** Privacy, Governmental Liaison and Disclosure (PGLD) Office.
- (5) **Primary Stakeholders:** HCO, PGLD, and Information Technology (IT).
- (6) **Program Goal:** To ensure individuals are treated fairly and consistently as it applies to their individual tax liabilities by using a common definition of tax compliance .

25.29.1.1.1
(08-18-2021)
Background

- (1) The One Tax Compliance initiative was developed to ensure consistency in performing tax compliance checks for individuals when making suitability determinations for hiring or monitoring tax compliance. To provide uniformity, suitability and monitoring tax compliance checks transitioned to use the enterprise Tax Compliance Check Service (TCCS), replacing various legacy tools and reducing the need for manual account research.
- (2) The TCCS is an enterprise common service developed to perform automated suitability and monitoring tax checks across the IRS. The TCCS uses automated business rules to lookup taxpayer accounts and identify the tax compliance status.
- (3) This IRM outlines the criteria used and the results obtained through the automated TCCS service, in performing a tax compliance check for suitability and monitoring.
- (4) To be fully compliant with federal tax filing and payment obligations, an individual must accurately and timely file, pay on time and have no outstanding tax liability.

25.29.1.1.2
(11-24-2023)
Authorities

- (1) **Public Laws:**
 - a. Public Law 105-206, IRS Restructuring and Reform Act of 1998, Section 1203, Termination of Employment for Misconduct at: <https://www.govinfo.gov/app/details/PLAW-105publ206>
 - b. Public Law 116-93, Consolidated Appropriations Act, 2020, Section 108, at: <https://www.govinfo.gov/app/details/PLAW-116publ93>
- (2) **Regulations:**
 - a. *5 Code of Federal Regulations (CFR) 2635*, Standards of Ethical Conduct for Employees
 - b. *5 CFR 2635.101*, Basic Obligation of Public Service

25.29.1.1.3
(08-18-2021)
Responsibilities

- (1) HCO is responsible for the Servicewide policy, Standard Tax Compliance Checks for Suitability and Monitoring for federal applicants, employees, and contractors.
- (2) As owner of the TCCS enterprise service, PGLD is responsible for ensuring the automated evaluative rules used in TCCS align with the standard tax check criteria for suitability and monitoring.
- (3) Applications Development, within IT, maintains the Tax Check Program (TCP) and its applications.
- (4) Business units that process tax compliance checks used for suitability determinations and monitoring tax compliance are responsible for incorporating TCCS into their procedures and using the results when making determinations of suitability or monitoring compliance.

25.29.1.1.4
(08-18-2021)
Program Management and Review

- (1) The TCCS Metrics Service interface captures statistics for all TCCS data requests.
- (2) Statistics on TCCS data requests are captured via Business Objects Enterprise (BOE). The BOE reports are used to quantify the level of tax compliance for all successful data calls and are segmented by requesting business unit.
- (3) In compliance with IRM 1.11.2, Internal Revenue Manual (IRM) Process, this IRM will be reviewed annually to determine if revisions are needed.

25.29.1.1.5
(08-18-2021)
Program Controls

- (1) TCCS Metrics Service Log
- (2) Federal Information Security Management Act
- (3) Technology Contingency Plan

25.29.1.1.6
(09-02-2025)
Terms and Acronyms

- (1) Compliance Issue - A compliance issue result reflects that one or more of the following conditions in any of the report sections exist:
 - a. A history of late filing,
 - b. A history of late paid tax debt, or
 - c. The taxpayer is resolving an outstanding liability through an administrative or judicial proceeding, which allows due process for the individual to settle the tax matter.
- (2) Compliant - Tax compliance is the accurate and timely filing of all required tax returns and the timely payment of all tax liabilities. A compliant result is determined when tax records reflect there is no record of an overdue tax return or unpaid tax debt.
- (3) Monitoring -The process of screening employees and contractor employees to ensure continued tax compliance.
- (4) Non-Compliant - A non-compliant result indicates that a required tax return is not on file, return was filed inaccurately, or there are unresolved tax liabilities. An overall non-compliant result indicates that one or more of the sectional results were identified as non-compliant.

- (5) Suitability Determination - Suitability reflects the standards required for employment with the government in general, and particularly the IRS, with reference to a person's character, reputation, and overall fitness.
- (6) Tax Check Program - The TCP is used by IT to support multiple IRS program owners and provides data to their business systems. The applications under TCP include the Tax Compliance Check Service (TCCS), the Tax Check Application, and the Employee Tax Compliance Interface.
- (7) Tax Compliance Check Service - The TCCS automates the business rules to perform multi-year tax account research, retrieve tax delinquency data and filing and payment of required taxes for individual taxpayers.

25.29.1.1.7
(09-02-2025)
Related Resources

- (1) IRM 6.332.2.3, Federal Tax Compliance Check
- (2) IRM 6.451.1.6, Misconduct Screenings and Tax Compliance
- (3) IRM 6.731.1.2, Appointments Subject to Investigation
- (4) IRM 10.23.2, Contractor Investigations
- (5) IRM 10.23.3, Personnel Security/Suitability for Employment and Personnel Security Operations
- (6) Policy Statement 25-3, Standard Tax Compliance Checks for Suitability and Monitoring for Federal Applicants, Employees, and Contractors (See IRM 1.2.1 , Servicewide Policy Statements):

25.29.1.2
(08-18-2021)
Standard Tax Compliance Checks - Overview

- (1) The TCCS standardizes the tax compliance criteria and the tax compliance results used for tax compliance checks performed by the IRS for the purpose of suitability and monitoring.
- (2) The use of the enterprise TCCS application to perform suitability and monitoring tax checks ensures uniformity across the IRS. Business units will use the results to make suitability and/or compliance monitoring decisions based on the specific business process.
- (3) To be fully compliant with federal tax filing and payment obligations, an individual must accurately and timely file, pay on time, and have no outstanding tax liability.
- (4) TCCS will review four years of tax records or up to five years if a Fraudulent Failure to File or Civil Tax Fraud penalty was assessed.

25.29.1.3
(11-24-2023)
Tax Compliance Result

- (1) The automated tax check and TCCS will return an overall tax compliance result and a sectional result for each of the three-criterion (filing, outstanding liabilities, and timeliness of payments). To be fully compliant with federal tax filing and payment obligations, an individual must accurately and timely file, pay on time, and have no outstanding tax liability.
- (2) TCCS uses three outcomes to measure tax compliance: compliant, non-compliant, or compliance Issue.

- (3) The overall tax compliance result is based upon the sectional result for each criterion (filing, accuracy, outstanding liabilities, and timeliness). The overall tax compliance result is always reflective of the lowest level of tax compliance identified within each of the sectional results.
- For example, if tax records indicate that a taxpayer is compliant related to filing, non-compliant related to outstanding liabilities, and has a compliance issue related to prior late payments, the overall tax compliance result would be non-compliant since this reflects the lowest level of compliance amongst the sectional results.

Tax Compliance Criteria	Sectional Result	Overall Result
Filing (Accuracy and Timeliness)	Compliant	Non-Compliant
Outstanding Liabilities	Non-Compliant	
Timely Payment	Compliance Issue	