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From:

Sent: Friday, February 19, 2016 10:58 AM

To:

Cc:

Bcc:

Subject: Consumer Credit Reports

This email responds to your request for a counsel opinion regarding consumer credit reports. We understand the relevant facts presented by your request for assistance to be as follows. A Case Advocate from TAS requested that Field Collection conduct a financial review to determine whether a taxpayer is experiencing a financial hardship such that the taxpayer's account should be placed in "Currently Not Collectible" (CNC) status. In order to conduct the financial review, the Revenue Officer (RO) would ordinarily request and analyze a credit bureau report to support the financial analysis. You have asked us whether, under these circumstances, it is permissible for the RO to request the credit report of the taxpayer without a summons, and to include findings from the credit report in the financial determination that the RO will share with TAS.

Under these circumstances, the RO's request for and use of a credit report is permissible under the Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681. Section 1681e(a) requires prospective users of consumer report information "identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose." Under 31 U.S.C. § 3711(h), the Service may request a consumer report to "collect a claim, compromise a claim, or terminate collection action on a claim." In this situation, because the RO would be using a credit report to determine whether a taxpayer's account should be placed in CNC status, the RO has a permissible purpose to obtain the credit report. Moreover, sharing the credit report with TAS, as part of this process, would not violate the FCRA.

Furthermore, the RO's transmission to TAS of the financial determination that references or contains a credit report does not violate I.R.C. § 6103. Since TAS is part of the Department of the Treasury, the applicable disclosure provision is I.R.C. § 6103(h)(1), which authorizes disclosure of return information to officers and employees of the Department of Treasury whose official duties require such disclosure for tax administration. As long as the TAS employee needs the information for his official duties, the disclosure to TAS is permissible under section 6103. "Need" in this context means "helpful and appropriate."

Please let us know if you have any further questions or if we can be of additional assistance.