

## IRM PROCEDURAL UPDATE

**DATE: 08/15/2024**

**NUMBER: ts-21-0824-0920**

**SUBJECT: Department of Education; BMF Form 94X Account Transcripts**

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

**CHANGE(s):**

### **IRM 21.2.3.5.7 Revised Department of Education content to account for transcript requests.**

(1) Special circumstances may exist on IDRS restricting the issuance of a transcript or requiring 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) #

[REDACTED]

[REDACTED]

#

(3) Occasionally, factors on the account prevent certain transcript requests from fully processing and thus require an alternate transcript to TDS be provided.

**Example:** The transcript does not display specific account activity, e.g., the secondary taxpayer plans to change their filing status to married filing separately for the next tax year. In the meantime, the taxpayer makes estimated tax payments under their own 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, and it 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 storing 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 21.4.1.4, Refund Inquiry Response Procedures.
- If the taxpayer requests a photocopy of their return, advise the taxpayer to file a Form 4506, Request for Copy of Tax Return, and to enclose the fee.

(5) 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.

(6) 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**.

- 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, 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 Quick Command Code (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.

(7) 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 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. This site also provides certain return-specific information, when applicable, such as when a refund has been applied to a past-due obligation.

(8) If the taxpayer requests a verification of non-filing letter for the current tax year prior to June 15th, encourage the taxpayer to contact the IRS after June 15 or to use Individual Online Account 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.

(9) There is a new process for students applying for financial aid through the Department of Education (ED) beginning with the 2024-2025 school year. There is a direct data exchange of the necessary tax data between the IRS and ED; see Tax Information for Federal Student Aid Applications. Refer taxpayers having questions to the Federal Student Aid help page.

**Note:** Some taxpayers may be asked to provide a tax return transcript to verify information for their financial aid application. Provide the transcript and do not refer the taxpayer to the Federal Student Aid help page.

(10) A wage and income transcript is not available in TDS until May 26, 2024, for the current processing year. A wage and income transcript requested prior to May 26 will display a message of "No record of return filed" instead of displaying actual wage and income information. Encourage the taxpayer to contact the IRS after May 26. If the taxpayer has an immediate need # [REDACTED] #, then provide CC IRPTRW by using the IAT QCC Tool to access, grab, sanitize, and print. Complete income information may not display on the transcript until all earnings are reported.

**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. # [REDACTED] #

(11) For tax year 2020 and 2021, Form 1099-H, Health Coverage Tax Credit (HCTC) Advance Payments, is not available through a wage and income transcript in TDS.

When requesting "ALL FORMS," there will be no Form 1099-H displaying on the transcript. If Form 1099-H is requested as an individual form, the transcript will display a message of "Form 1099-H not valid for Tax Period Requested." Refer to IRM 21.6.3.4.2.9.5, Health Coverage Tax Credit (HCTC) - Inquiries, for how to address requests for the form.

(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.

(13) If the taxpayer requests a date stamp on a transcript, explain 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., MFTRA, ENMOD), should be referred to the Large Corp Unit, which 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.

(15) There are restrictions on providing information verbally and in transcript form for those calling in response to receiving Letter 12C, Individual Return Incomplete for Processing: Forms 1040 & 1040-SR. Refer to IRM 21.6.3.4.2.3, Estimated Tax (ES).

(16) Authorized representatives are limited in the number of clients for which transcripts can be requested in a single contact. They are also limited in the number of transcripts received per client in a single contact. The limits are:

- Up to five clients for which TDS transcripts and/or internal IDRS transcripts are requested.
- Up to 30 transcripts in total per client. Of this 30, up to 10 can be internal IDRS transcripts.

**IRM 21.2.3.5.9.1 Revised the date when the postal mail delivery method is available for Form 94X account transcripts.**

(1) Ask probing questions to determine why the transcript is needed.

(2) Identify which type of transcript will meet the taxpayer's needs based on the purpose of the transcript request. Refer to IRM 21.2.3.2 Types of TDS Transcripts.

**Reminder:** The new Form 94X Series tax return transcripts (940, 941, 943, 944, 945) cannot be provided until September 29, 2024.

(3) Encourage the taxpayer to use self-service methods:

- For Sole Proprietors who file with an EIN, they can access their transcripts online through Business Tax Account. IRM 21.2.3.3.5, Business Tax Account, has additional information.
- Submit Form 4506-T, found on IRS.gov, to have the transcript mailed. The new Business Entity transcripts are not available through Form 4506-T.

(4) If the taxpayer is not using a self-service method, conduct full authentication per IRM 21.1.3.2.3, Required Taxpayer Authentication. Transcript availability is outlined in IRM 21.2.3.3.1(3), Transcript Assistance by an IRS Representative. Only when expedited service is needed and telephone assistance has been exhausted can a taxpayer be directed to the Taxpayer Assistance Center (TAC). When doing so:

- Advise that an appointment is necessary and may not be immediate depending on office availability.
- Provide the toll-free number, 844-545-5640, and offer to transfer them.
- Document the failed authentication attempt and TAC referral in AMS.

(5) Identify any account issues on IDRS or AMS prohibiting the issuance of a transcript; refer to IRM 21.2.3.5.7, Transcript Restrictions and Special Handling, for some examples.

**Note:** For Large Corp Program customers, see IRM 21.2.3.5.7(14), Transcript Restrictions and Special Handling.

(6) Authorized representatives are limited in the number of clients for which transcripts can be requested in a single contact. They are also limited in the number of transcripts received per client in a single contact. The limits are:

- Up to five clients for which TDS transcripts and/or internal IDRS transcripts are requested.
- Up to 30 transcripts in total per client. Of this 30, up to 10 can be internal IDRS transcripts.

(7) The IRS policy is to only provide masked transcripts. If the taxpayer insists on an unmasked transcript, see IRM 21.2.3.5.9.1.1, BMF Unmasked Transcripts and Referrals.

**Exception:** The Business Entity transcripts are the only transcripts provided unmasked.

(8) Refer to IRM 21.2.3.5.3, Selecting a Delivery Method, and to IRM 21.1.3.9, Mailing and Faxing Tax Account Information, for mailing restrictions.

**Note:** The postal mail delivery method is not available until September 29, 2024, for the new Business Entity transcripts. These transcripts must be printed and mailed per local procedures.

**Note:** The postal mail delivery method is not available until August 18, 2024, for the Form 94X Series account transcripts. Prior to August 18, 2024, the transcripts must be printed and mailed per local procedures. After August 18, 2024, the TDS postal mail delivery method can again be used.

(9) If the taxpayer requests an identifying number/customer file number appear on the transcript, enter this number into the Customer File Number field on the TDS Taxpayer Information screen. TINs cannot be accepted. The field accommodates up to 10 numeric digits.

(10) Once all transcripts are in the product queue, and before selecting Continue to process the transaction, verify with the caller that you have the correct transcripts listed and all transcripts requested are included. This must be done regardless of what other checks were done earlier in the call.

1. Ensure the correct Mask or Unmask radio button was selected.
2. Repeat to the caller each transcript in the product queue – transcript type, tax form, tax year, tax month/quarter, etc.
3. Ask the caller if correct. If you are unable to confirm with the caller, do not process the transaction; no transcript can be provided.

**Reminder:** Only the Business Entity transcripts can be provided unmasked; all other transcripts must be masked.

**Note:** Masked and unmasked transcripts cannot be combined in the same TDS session. Separate sessions must be completed for masked transcripts and for unmasked transcripts.

(11) If TDS is not available (entire application is down), follow IRM 21.3.5.4.2.3, Required Systems Unavailable. If an aspect of TDS is not working, such as a specific form is not properly displaying the correct information due to a programming error, provide an internal IDRS transcript in lieu of the TDS transcript. # [REDACTED]

(12) Complete the contact by following IRM 21.2.3.7, Call Closure Requirements.