

## **IRM PROCEDURAL UPDATE**

**DATE: 10/04/2024**

**NUMBER: ts-21-1024-1006**

**SUBJECT: Spanish Transcripts; SOR Mailbox; CAF; Letter 1722(IO); Call Closure; BMF 94X Series**

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

**CHANGE(s):**

**IRM 21.2.3.2.1 Referred to IRM 21.2.3.2 for information on transcripts in other languages and added a Note about the availability of the new BMF 94X Series transcripts.**

(1) The tax return transcript contains significant data transcribed from the original return. Some reasons for requesting this transcript include:

- Documentation requirements for loans, grants, etc.
- Documentation requirements for social services.
- Respond to a notice from the IRS.
- File an amended return.
- Obtain financing for a mortgage.
- Obtain a lien release.

(2) The information displayed on the tax return transcript contains, but is not limited to:

- Type of return filed.
- Filing status.
- Tax shown on return.
- Adjusted gross income.
- Mortgage interest.
- Real estate tax deduction.
- Taxable income.
- Number of exemptions.
- Federal income tax withheld.
- Earned income credit.
- Self-employment income and tax.
- Tax due per return.
- Refund per return.
- Refundable credits.
- Total income.
- Business expenses.

- Wages paid.
- Designee's Personal Identification Number (DPIN), Preparer's Tax Identification Number (PTIN).

(3) TDS is programmed to display only four dependents. Taxpayers with more than four dependents may believe the preparer did not include all dependents on the return. Before referring the taxpayer back to the preparer, verify the actual dependents submitted on the return.

(4) Tax return transcripts will not show amendments or adjustments made to the account after the original return has posted. If adjustments have been made, offer to provide the record of account, see IRM 21.2.3.2.3, Record of Account. For BMF, the new Form 94X Series transcripts, as listed in paragraph 7, do display adjustments from amended returns.

(5) In some cases, the IRS may change the taxpayer's reported figures on the originally filed return due to input errors, incomplete or missing information, or computational errors. The tax return transcript will show both:

- The taxpayer's original figures, labeled "per return," and,
- The figures as corrected by the IRS, labeled "per computer."

(6) BMF transcripts include the following forms:

- Form 1065, U.S. Return of Partnership Income.
- Form 1120, U.S. Corporation Income Tax Return.
- Form 1120-H, U.S. Income Tax Return for Homeowners Associations.
- Form 1120-L, U.S. Life Insurance Company Income Tax Return.
- Form 1120-S, U.S. Income Tax Return for an S Corporation.

(7) Beginning September 29, 2024, TDS offers business taxpayers five new tax return transcripts made possible through Inflation Reduction Act funding. These transcripts are available to Business Tax Account users also on September 29, 2024. These transcripts provide tax return information from the original return in addition to adjustments from amended returns. The transcripts are masked. The new transcripts are available for the following forms:

- Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.
- Form 941, Employer's QUARTERLY Federal Tax Return.
- Form 943, Employer's Annual Tax Return for Agricultural Employees.
- Form 944, Employer's ANNUAL Federal Tax Return.
- Form 945, Annual Return of Withheld Federal Income Tax.

**Note:** Due to programming issues, these transcripts cannot yet be provided.

(8) Refer to IRM 21.2.3.2, Types of TDS Transcripts, for information on TDS transcripts translated into other languages.

**IRM 21.2.3.5.7 Removed paragraph about Letter 1722(IO).**

(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) #

A large section of the document is redacted with black boxes. The redaction covers several lines of text, including what appears to be a list item (2) and its associated details. A red hash symbol (#) is visible at the end of the redacted section.

(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) 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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] #

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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).

(15) 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 21.2.3.5.7.1 Removed entire subsection about Letter 1722(10).**

#### **IRM 21.2.3.5.9.1 Revised the Note about restrictions with providing the new BMF 94X Series tax return 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.

**Note:** The new Form 94X Series tax return transcripts (940, 941, 943, 944, 945) cannot be provided until programming issues have been resolved.

(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(13), 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.

**IRM 21.2.3.7 Added a CAF documentation requirement, added a SOR documentation requirement and a change to what is said to the taxpayer, and reorganized content.**

(1) Advise the taxpayer of the primary delivery timeframe, as applicable.

- If using TDS Postal Mail, 5-10 calendar days. When providing other correspondence as well, such as a CRX letter, advise that the transcript is being mailed separately from the other correspondence. Those living outside of the U.S. should allow for mailing time reflective of their country.
- If mailing the transcript from the office, 5-10 calendar days. Those living outside of the U.S. should allow for mailing time reflective of their country.
- If routing to the authorized representative's e-Services SOR mailbox, it should be received within 45 minutes, although it can take up to 48 hours. It is not necessary to provide the delivery timeframe if the taxpayer has already voluntarily shared that all transcripts requested were received.
- If using EEFax, it will be received momentarily. EEFax, when available, must be used in lieu of manual faxing.



(2) In AMS, select the issue/topic based on the primary purpose of the call. If the primary topic is transcripts, select Transcript Request. When transcripts are provided, the following must be included in AMS history:

1. Document:
  - a. What was provided (tax return transcript, CC TRDBV, TDS Letter 3538, etc.).
  - b. If providing an unmasked wage and income transcript, specify an unmasked wage and income transcript was provided.
  - c. The tax year(s).
  - d. If applicable, the CAF number in one of the following formats: xxxxxxxxxR, xxxxxxxxxr, xxxx-xxxxxR, xxxx-xxxxxr.
  - e. If the transcript was deposited into the authorized representative's e-Services SOR mailbox, include that the e-Services SOR mailbox was used and document the mailbox name. The mailbox name is documented by preceding the mailbox name with either "SORID" or "sorid"; for example, SORID xxxxxxxx or sorid xxxxxxxx.
  - f. Indicate **IDT** if it involves identity theft.
  - g. If submitting an electronic Form 4442 to the group mailbox, include the specific reason the taxpayer gives for requiring an unmasked transcript as well as the complete business, agency, etc. information and contact name and telephone number, and the taxpayer's telephone number. Also include the specific transcript(s) requested. For internal IDRS transcripts, # [REDACTED] #

**Example:** Provided Tax Return Transcript 2023 to e-Services SOR mailbox SORID 1234ABCD, 123456789R. Provided TDS Letter 3538 for 2023 IDT. Provided CC TRDBV for 2023.

2. Document to verify the following were addressed when faxing a transcript. However, if sending a transcript to an e-fax, refer to (3); and if sending the transcript to a third-party e-fax service provider, refer to (4).
  - a. **RISK** - Taxpayer was advised of the risk inherent in faxing personally identifiable information (PII).
  - b. **SECURE** - Taxpayer verified the fax is in a secure location.
  - c. **FAX ###-###-####** - Record the number of the receiving fax.

**Example:** RISK, SECURE, FAX ###-###-####.

**Note:** When immediate fax delivery is used, do not wait for confirmation from the taxpayer acknowledging receipt of the transcript unless the taxpayer insists.

3. Document to verify the following were addressed when sending a transcript to an e-fax:
  - a. **RISK** - Taxpayer was advised of the risk inherent in faxing personally identifiable information (PII).
  - b. **E-FAX ###-###-####** - Record the number of the receiving e-fax.

**Example:** RISK, E-FAX ###-###-####.

**Note:** When immediate fax delivery is used, do not wait for confirmation from the taxpayer acknowledging receipt of the transcript unless the taxpayer insists.

4. Document if the taxpayer designated, through written consent, that a third-party e-fax service provider could receive tax information:
  - a. **RISK** - Taxpayer was advised of the risk inherent in faxing personally identifiable information (PII).
  - b. **FAX ###-###-####** - Record the number of the receiving fax.

**Example:** RISK, FAX ###-###-####, EFAX 3rd-PARTY WRITTEN CONSENT.

(3) After the requested transcript has been sent to the taxpayer, complete call closure per IRM 21.1.1.4, Communication Skills.