



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

11.3.31

JANUARY 16, 2024

## EFFECTIVE DATE

(01-16-2024)

## PURPOSE

- (1) This transmits revised IRM 11.3.31, *Disclosure of Official Information, Federal Tax Check Service*.

## MATERIAL CHANGES

- (1) The name of this IRM has been updated from **Tax Check Reports on Federal Appointees to Federal Tax Check Service**.
- (2) Editorial changes have been made throughout this entire section to conform to the new internal and management control standards and to support research in electronic media. Substantive changes have been made to each subsection to address proper reference material, organizational terms, titles, and clarify existing procedures according to current policies and procedures.
- (3) IRM 11.3.31.1, Revised content to reflect internal control attributes and clarify purpose, audience, and program owner. Added policy owner and enterprise service information systems owner information.
- (4) IRM 11.3.31.1.1, Revised background information to incorporate collaborative efforts that have taken place to enhance the Federal Tax Check Service, updated the purposes for which enrolled Tax Check Service (TCS) participants request tax checks.
- (5) IRM 11.3.31.1.2, Revised to further clarify the authority for tax check requests for tax and non-tax administration purposes.
- (6) IRM 11.3.31.1.3, Revised content to reflect internal control attributes for roles and responsibilities.
- (7) IRM 11.3.31.1.4, Added new subsection titled "Program Management and Review" to conform with internal and management control standards.
- (8) IRM 11.3.31.1.5, Added new subsection titled "Program Controls" to capture program reporting.
- (9) IRM 11.3.31.1.6, Revised "Definitions/Acronyms" to "Terms/Acronyms" and capture content reflected throughout this section.
- (10) IRM 11.3.31.1.7, Added new subsection titled "Related Resources" to conform with internal and management control standards and capture proper references.
- (11) IRM 11.3.31.2, Revised title from "Information Disclosed in Tax Check Reports" to "Tax Check Service (TCS)" and added language to document the process for requesting tax check requests through the TCS.
- (12) IRM 11.3.31.2.1, Added new subsection "Form 14767, Consent to Disclose Tax Compliance Check" which explains the purpose of the form and requirements for enrolled agencies to submit the form.
- (13) IRM 11.3.31.2.2, Added new subsection "Tax Compliance Report (TCR)." The TCR is the IRS Letter 6201, Tax Compliance Report which identifies whether subjects of the Form 14767 are in compliance with meeting their federal tax obligations.
- (14) IRM 11.3.31.3, Revised title from "Securing Information for Tax Check Reports" to "Tax Compliance Check Service (TCCS)." Privacy, Governmental Liaison, and Disclosure (PGLD) and IT collaborated to develop the TCCS which automated the business rules and standardized the compliance criteria

for conducting tax compliance checks. TCCS automation replaced various legacy tools, manual tax account research, and use of tax transcripts for tax compliance checks. The revised text added more descriptive language.

- (15) IRM 11.3.31.1(4), Changed Service-wide to the required one-word format Servicewide.
- (16) IRM 11.3.31.1.2(1), Updated “may” to “will” to use active voice instead of passive.
- (17) IRM 11.3.31.2(4), Updated “may” to “will” to use active voice instead of passive.
- (18) IRM 11.3.31.2.1(3), Updated “may” to “will” to use active voice instead of passive.
- (19) IRM 11.3.31.2.2(1), Updated “may” to “will” to use active voice instead of passive.
- (20) IRM 11.3.31.2.1(3), Updated “may” to “must” to use active voice instead of passive.
- (21) IRM 11.3.31.3(2), Added the word “and” between create send.
- (22) IRM 11.3.31.3(4)(b), Updated “should” to “will” to use active voice instead of passive.
- (23) Added “the” before IRS throughout the IRM where applicable.
- (24) IRM 11.3.31.2(3), Unlinked Form 7600A and Form 7600B because the links didn’t work.
- (25) IRM 11.3.31.3(2), Updated the link to IRM 11.3.31.2.2

#### **EFFECT ON OTHER DOCUMENTS**

This supersedes IRM 11.3.31 dated October 13, 2017.  
This IRM incorporates Interim Guidance PGLD-11-0223-0001, dated February 17, 2023.

#### **AUDIENCE**

All Operating Divisions and Functions.

#### **RELATED RESOURCES**

- (1) The Disclosure and Privacy Knowledge Base can be found at: *Disclosure and Privacy Knowledge Base - Home (sharepoint.com)*

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11.3.31

Federal Tax Check Service

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11.3.31.1  
(01-16-2024)  
**Program Scope and  
Objectives**

- (1) Purpose: This IRM section provides IRS guidance concerning disclosures of federal tax information via a Tax Compliance Report (TCR). Tax compliance checks are used for individual background investigations, suitability investigations, pre-hiring screening, monitoring employee tax compliance (if it is a condition of employment) and other authorized purposes. Federal agencies and other governmental entities, hereafter referred to as agencies, periodically perform suitability investigations on prospective employees. These investigations often include a request to the IRS to perform a tax check.
- (2) Audience: Privacy, Governmental Liaison, and Disclosure (PGLD) employees administering the Tax Check Service (TCS) per written agreements with external government agencies and other IRS functions.
- (3) Program Owner: Governmental Liaison, Disclosure, and Safeguards (GLDS) Office, under PGLD, has primary oversight of the Tax Check Service (TCS) and is the program office responsible for the Servicewide Disclosure policy.
- (4) Policy Owner: The Human Capital Office (HCO) is responsible for the policy concerning the standardization of individual tax compliance checks for suitability and monitoring purposes, for additional information regarding the standard criteria used to perform tax checks on individuals, refer to IRM 25.29.1, Standard Tax Compliance Check for Suitability and Monitoring, and IRM 1.2.1.16.2, Policy Statement 25-3, Standard Tax Compliance Checks for Suitability and Monitoring for Federal Applicants, Employees, and Contractors.
- (5) Enterprise Service Information System Owner: The IRS enterprise Tax Compliance Check Service (TCCS) and Tax Check Application (TCA) are managed by the GLDS Office.
- (6) Primary Stakeholders: PGLD employees, Human Capital Office (HCO), and Information Technology (IT).
- (7) Program Goals: Perform automated tax checks and provide uniform responses per written agreements with external government agencies and other IRS functions.

11.3.31.1.1  
(01-16-2024)  
**Background**

- (1) For over 40 years, the IRS Disclosure Office manually processed thousands of federal tax compliance check requests for individual security clearance or background investigations for employment with the federal government. The Disclosure Office responded to various consent forms from multiple government agencies which resulted in slightly varied responses depending upon the consents received from the agencies which were initially based on the statutory language in IRC 6103(g), Disclosure to the President and certain other persons.

In 2019, GLDS completed a multi-year collaborative effort with IT to develop and deploy the TCCS, an application that performs automated tax checks and provides uniform responses. The TCCS standardized and modernized the work of checking federal tax compliance for the purposes outlined in this IRM section.

On October 1, 2019, the Disclosure Tax Check Program was stopped and the TCS was implemented in its place. Data Exchange and Quality Initiatives (DEQI), Data Services, administers the TCS. Agencies looking to participate in the program must enroll by executing a written agreement (Memorandum of Understanding (MOU) or Service Level Agreement (SLA)) and a Reimbursable Agreement.

- (2) Agencies enrolled in the TCS will use Form 14767 , Consent to Disclose Tax Compliance Check, which was designed to authorize disclosure of tax compliance information and follows the provisions of IRC 6103(c) , to request a TCR.
- (3) Enrolled agencies request tax checks for any of the following purposes:
  - a. Security clearance background investigation
  - b. Suitability background investigation for federal employment or fitness to perform work as a federal contractor
  - c. Monitoring employee tax compliance (if it is a condition of employment)
  - d. Pre-employment screening (hiring)
  - e. Authorization to be issued a federal credential or receive sensitive government information
  - f. Eligibility for access to federally controlled facilities and information systems
  - g. Other purposes authorized by federal law
- (4) After the enrolled agency submits Form 14767, the TCS will provide tax compliance information through the TCR which is released back to the enrolled agency. The same consent form is used for all applicants and employees, resulting in consistent criteria and reporting government wide. The implementation of the TCS combined multiple tax check consent forms into a single, uniform waiver.
- (5) Tax check requests are processed only upon receipt of a valid Form 14767, Consent to Disclose Tax Compliance Check, and a response to each request is provided within three-business days.

11.3.31.1.2  
(01-16-2024)  
**Authority**

- (1) Tax check requests for non-tax administration purposes will be processed only with the taxpayer's signed authorization. IRS employees will not access the taxpayer's account under IRC 6103(h)(1) for these tax checks. Disclosure of tax compliance information outside the IRS will only be made per IRC 6103. Federal agencies enrolled in the TCS, under a MOU, receive the TCR per IRC 6103(c). The TCR is disclosed to a designee upon receipt of a valid IRS Form 14767, Consent to Disclose Tax Compliance Check. See IRM 11.3.2, Disclosure to Persons with a Material Interest, and IRM 11.3.3, Disclosure to Designees and Practitioners.
- (2) The authority for tax check disclosures under this section is IRC 6103(c), 26 CFR 301.6103(c)-1, Disclosure of Returns and Return Information to Designee of Taxpayer, and Delegation Order 11-2 found in IRM 1.2.2.12.2 , Servicewide Delegations of Authority.
- (3) The TCRs for tax administration purposes are conducted per IRC 6103(h)(1). The Treasury Inspector General for Tax Administration (TIGTA) and the IRS Employee Tax Compliance (ETC) Program request tax checks using this authority.

11.3.31.1.3  
(01-16-2024)  
**Roles and Responsibilities**

- (1) Director, GLDS, administers and maintains the IRS enterprise TCCS and TCA.
- (2) Data Services, GLDS, administers the TCS.
- (3) IT, Applications Development, manages the TCCS and TCA.
- (4) Disclosure Office owns the tax check policy and addresses policy questions.

- (5) TCCS/TCA reviews IRS tax records for filing and payment history then creates the TCR for release.

11.3.31.1.4  
(01-16-2024)

**Program Management  
and Review**

- (1) Data Services regularly reports program status through operational reviews to the Director, Governmental Liaison, Disclosure, and Safeguards.
- (2) DEQI, under Data Services, manages the TCS and serves as the IRS point of contact for all internal and external TCS stakeholders and is responsible for:
- Enrolling agencies
  - Negotiating, executing, and maintaining agreements (MOU, SLA, and reimbursable agreements)
  - Calculating costs
  - Generating monthly billing reports
  - Communicating program changes and enhancements
  - Updating guidance material
  - Troubleshooting issues

**Note:** IRS offices enroll in the TCS via an SLA and do not pay for service. See IRM 11.3.31.2(4).

- (3) GLDS Support Services (GSS), under Data Services, receives and processes Form 14767, Consent to Disclose Tax Compliance Check, and releases the TCR following established procedures.
- (4) Technical Support and Analysis, under Data Services, processes system requests to add/remove enrolled agencies and authorized requestors.
- (5) Program and Planning Support, PGLD, posts earnings through monthly billing reports.
- (6) Chief Financial Officer (CFO) reviews and approves the calculated costs, as well as the reimbursable agreements between the IRS and the external agencies.
- (7) Beckley Finance Center collects on billing from customers, via Intra-Governmental Payment and Collection (IPAC), and provides support to customers with billing questions.

11.3.31.1.5  
(01-16-2024)

**Program Controls**

- (1) TCS metrics are captured through the Business Objects Enterprise (BOE) application and used for accounting and billing, and includes the following reports:
- Daily Tax Check Report: Provides a list of the tax check requests processed daily. It provides the transaction ID, unique processing number, adjudication results, and whether the request was successful or if it failed.
  - Tax Check Request Processing, Results: Provides a breakdown of successful and failed requests by requester.
  - Tax Check Results, Overall Adjudication Summary: Provides a breakdown of the overall adjudication results by requester.
  - Tax Check Service Billing Report: Provides the amount to be billed to the requester according to agency code, along with a choice to filter by requester ID, and can be generated for a single agency.

- Agency Summary Report: Provides a transaction count by each requester, including compliance results or failed transactions, and can be generated for one or more agencies.

11.3.31.1.6  
(01-16-2024)

#### Terms/Acronyms

- (1) The following is a list of the acronyms that are used in this IRM section and their definitions:

Acronym	Definition
BOE	Business Object Enterprise
CDDDB	Custodial Detail Database
CFO	Chief Finance Officer
CSV	Comma-Separated Values
EFTU	Electronic File Transfer Utility
ETC	Employee Tax Compliance Office
ETS	Employment Talent and Security
DEQI	Data Exchange and Quality Initiatives
GLDS	Governmental Liaison, Disclosure and Safeguards
GSS	Governmental Liaison, Disclosure and Safeguards Support Services
HCO	Human Capital Office
IPAC	Intra-Governmental Payment and Collection
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRPTR	Information Returns Transcript File Online
IT	Information Technology
OMB	Office of Management and Budget
PGLD	Privacy, Governmental Liaison and Disclosure
RAIVS	Return and Income Verification Service
SLA	Service Level Agreement
SDT	Secure Data Transfer
TCA	Tax Check Application
TCCS	Tax Compliance Check Services
TCR	Tax Compliance Report
TCS	Tax Check Services
TDS	Transcript Delivery System
TIGTA	Treasury Inspector General for Tax Administration



Acronym	Definition
TIN	Taxpayer Identification Number

11.3.31.1.7  
(01-16-2024)

#### Related Resources

- (1) The Disclosure and Privacy Knowledge Base can be found at: *Disclosure and Privacy Knowledge Base - Home (sharepoint.com)*
- (2) IRM 1.2.1.16.2, Policy Statement 25-3, Standard Tax Compliance Checks for Suitability and Monitoring for Federal Applicants, Employees, and Contractors
- (3) IRM 1.33.3, Strategic Planning, Budgeting and Performance Management Process; Reimbursable Operating Guidelines
- (4) IRM 25.29.1, Standard Tax Compliance Check for Suitability and Monitoring
- (5) IRM 11.3.30, Disclosure to the President
- (6) 26 USC 6103 Confidentiality and Disclosure of Returns and Return Information
- (7) 26 CFR 301.6103(c)-1, Disclosure of Returns and Return Information to Designee of Taxpayer

11.3.31.2  
(01-16-2024)

#### Tax Check Service (TCS)

- (1) The TCS is used to request tax compliance checks for investigations on current or prospective government employees. TCS does not verify income. Taxpayer income does not reflect tax compliance and is not part of the standard tax compliance criteria.
- (2) Certain types of tax checks do not meet the qualifications to use the TCS:
  - Ad-hoc tax check requests for the Malcolm Baldrige Award do not meet the qualifications for TCS processing and are not run through TCCS. Disclosure will process those requests under IRC 6103(c) or IRC 6103(e) or casework.
  - Tax check requests by the President under IRC 6103(g), for certain appointments within the Executive Office of the President or head of a federal agency, are processed by the Disclosure Office. See IRM 11.3.30, Disclosure of Official Information, Disclosure to the President, for instructions concerning disclosures of return and return information to the President or specified White House employees.
- (3) Agencies must enroll in the TCS before submitting tax check requests and receiving TCRs.
  - If approved for enrollment, DEQI will provide the agency with the approved TCS MOU template. The MOU's Appendix A will list the agency's authorized requesters, which is critical information for processing. Only the individuals listed in Appendix A can submit tax check requests. The agency must keep the listing current by promptly submitting any updates to DEQI.
  - Reimbursable agreements are executed according to IRM 1.33.3, Strategic Planning, Budgeting and Performance Management Process; Reimbursable Operating Guidelines, on a fiscal year basis for each agency. (A \$3.00 fee per TCR has been approved and will remain in effect through fiscal year 2024.) DEQI will secure the estimated volume

of tax check requests for the upcoming fiscal year and the information needed to create and execute the reimbursable agreement no later than September 30th for the upcoming fiscal year.

Fiscal Service (FS) Form 7600A, General Terms and Conditions (GT&C) and FS Form 7600B, Order Form are used for federal agencies and Form 14417, Reimbursable Agreement – Non-Federal Entities, is used for non-federal agencies. For purposes of the reimbursable agreements, the IRS is the seller or servicing agency and the agency entering into the agreement with the IRS is referred to as the buyer or requesting agency.

- (4) IRS offices will enroll in TCS by executing an SLA. DEQI will provide the approved template agreement. IRS offices submitting tax checks requests are not charged a fee for TCRs.

11.3.31.2.1  
(01-16-2024)  
**Form 14767, Consent to  
Disclose Tax  
Compliance Check**

- (1) IRC 6103 prohibits the IRS from disclosing any tax information to third parties without a valid consent.
- (2) Form 14767, Consent to Disclose Tax Compliance Check, is required to authorize the IRS to prepare and release a TCR, which discloses confidential federal tax information to an agency as a third-party appointee.
- (3) The appointee is the federal agency or the IRS office identified on the form, as specified in the MOU or SLA, which must be a current or prospective employing or contracting agency or a federal investigative service provider agency. This form will also be used to request a tax compliance report for other authorized uses. Pursuant to this consent, only the TCR and limited details from the tax account will be disclosed.
- (4) Agencies enrolled in the TCS must submit a valid Form 14767, executed by the record subject, to GSS via fax transmission; invalid or incomplete forms, or requests from agencies not enrolled in the TCS, will not be processed.

**Note:** Certain federal agencies, with prior approval, are excepted from submitting Form 14767 via fax transmission and are permitted to submit the form via Secure Data Transfer (SDT). GSS will only accept digital images of handwritten signatures and dates via SDT receipt only if the agency maintains the appropriate approval and SDT certification, all others will be rejected.

- (5) A valid Form 14767 must be completed and contain the following required elements:
  - Taxpayer's first and last name(s).
  - Taxpayer's Social Security Number;
  - Name and agency code of the requesting agency.
  - Taxpayer's handwritten signature; electronic signatures are not acceptable.
  - Date of the request, which must be handwritten.
  - Each form submitted to GSS must be complete, contain the required elements, be legible, and not older than 120 days (4 months) from the date it was signed.

**Note:** A TCR will not be provided for requests where the SSN and name do not match, or the IRS records indicate a date of death.

11.3.31.2.2  
(01-16-2024)  
**Tax Compliance Report  
(TCR)**

- (1) The TCR is the IRS *Letter 6201*, Tax Compliance Report. The TCCS / TCA reviews the individual's filing, payment and penalty history and produces a TCR which identifies whether the individual is compliant, non-compliant or has a compliance issue meeting their federal tax obligations. The report will include return filing history for the last four tax years. The IRS will report up to two additional tax years (for a total of six years) of return filing history when it has required the individual to file returns, but returns are not on file. The report will show unpaid tax debt if there is a balance due for any tax period as of the date of the report. TCS also identifies and reports tax years with late payments for the last four tax years and any civil fraud penalties assessed in the last five years.
- (2) The TCR will reflect an individual's overall tax compliance as follows:
  - a. **Compliant:** There is no record of an overdue tax return or unpaid tax debt.
  - b. **Non-Compliant:** A required tax return is not on file or a tax debt is past due. The individual needs to take corrective action.
  - c. **Compliance Issue:** Indicates one or more of the following conditions:
    - History of late paid tax debt.
    - Filing issues.
    - Individual is resolving an issue through an administrative or judicial proceeding, which allows due process for the individual to settle the tax matter.
- (3) The TCR will address the tax compliance check in three sections: Filing Information, Amount You Owe, and Additional Information. Each section contains a narrative statement and specific account details.
  - **Filing Information:** Lists the individual's income tax filing history and, if applicable, delinquent business tax returns (for a sole proprietor required to file excise or employment tax returns). TCS doesn't review or report corporate or partnership tax obligations.
  - **Amount You Owe:** Lists any federal taxes owed as of the date of the report or states no taxes are due.
  - **Additional Information:** Lists any late payments of federal income, employment, or excise taxes for the most recent four tax years, as well as any fraudulent failure to file or civil tax fraud penalties assessed within five years of the date of the report.

11.3.31.3  
(01-16-2024)  
**Tax Compliance Check  
Service (TCCS)**

- (1) PGLD and IT collaborated to develop the TCCS which automated the business rules and standardized the compliance criteria for conducting tax compliance checks. TCCS automation replaced various legacy tools, manual tax account research, and use of tax transcripts for tax compliance checks.
- (2) The TCCS Project includes the **TCCS** and the **TCA** technical solutions which are owned and managed by GLDS.
  - **TCCS** is an IRS tax compliance check enterprise system that operates over programmatic consumer to producer service-oriented architecture "SOA." TCCS performs a query of tax accounts and applies standardized tax compliance criteria rules to create and send a data response to tax check requests from business owned applications. Query of tax

accounts is specific to TIN validation, a search of records by TIN in the Custodial Detail Database (CDDDB) and Information Returns Transcript File Online (IRPTR) pertaining to 1) filing compliance, 2) payment compliance 3) late payments and 4) tax fraud penalty assessment for individual taxpayers. For business taxpayers the response provides 1) filing compliance and 2) payment compliance.

- **TCA** is a spring-batch application that calls the TCCS core service using a synchronous interface. The request is sent to the TCA and Control M schedules the batch job. The TCA will obtain tax check request files through the electronic file transfer utility (EFTU), batch process the requests, and return a response file to the consumer via EFTU which contains the tax check results in a comma-separated values (CSV) file. TCA creates the TCR in a portable document format (PDF), when requested. Refer to IRM 11.3.31.2.2 for more information regarding the TCR.
- (3) TCCS is an enterprise service available to the IRS operating divisions that process tax compliance checks used for suitability determinations and monitoring individual tax compliance. Tax checks are also conducted by external agencies that are TCS customers, including TIGTA. TCCS also performs business tax checks.
- a. PGLD uses the TCR to respond to valid taxpayer consents (Form 14767) submitted by enrolled agencies that have a TCS MOU and pay a fee for each tax check. PGLD also has SLAs to process Form 14767 for other internal IRS functions, including Chief Counsel Personnel, National Public Liaison, and the Office of Executive Service, and supports the TIGTA's employee suitability and employee tax compliance monitoring programs.
  - b. Human Capital Office utilizes the TCA to conduct tax checks for different purposes:
    - Personnel Security verifies tax compliance for contractor suitability and background investigations, and annually monitors tax compliance of all active IRS contractor personnel.
    - Employment Talent and Security (ETS) uses the TCA to determine employment suitability for all IRS job applicants.
    - Employee Tax Compliance (ETC) Office obtains tax compliance data from TCCS to monitor employee tax compliance and determine eligibility for performance award payments.
    - TIGTA requests tax checks for the ETC monitoring process.
- (4) TCCS limitations:
- a. Results will not show income information; as a result, the TCR will not contain income information.
  - b. Certain requests cannot be processed through TCCS:
    - Ad-hoc requests for tax checks pertaining to the Malcolm Baldrige Awards are processed by the Disclosure Office, refer to IRM 11.3.31.2.
    - Tax check requests by the President under IRC 6103(g) for certain appointments within the Executive Office of the President or head of a federal agency, are processed by the Disclosure Office refer to IRM 11.3.31.2.
    - IRC 6103(h)(1) tax checks based on Department of the Treasury's tax administration responsibility to ensure current and prospective

employees and contractors are compliant with their tax obligations are conducted within the Human Capital Office.

- Requests for income verification or return transcripts pertaining to mortgage loans or state licensing are not “tax compliance checks” and are worked through routine agency procedures. Disclosure offices will refer requests of this type to the Transcript Delivery System (TDS) or Return and Income Verification Service (RAIVS).
- Disclosures of federal tax information to probation officers for taxpayers with tax related convictions are typically handled by the Criminal Investigation function based on IRC 6103(h)(4).
- Consent-based disclosure requests under IRC 6103(c) for delivery of account transcripts are processed by established routine agency procedures. Tax transcripts do not validate tax compliance following the IRS standards for suitability and monitoring tax checks. For more information about consent-based disclosure and access provisions See IRM 11.3.3, Disclosure to Designees and Practitioners.

