

Publication Date: March 25, 2014

DCL ID: GEN-14-05

Subject: IRS Tax Return Transcript Processes for 2014-2015

Summary: This letter provides important information about changes to the processes used by FAFSA applicants to request, obtain, and submit to their schools IRS Tax Return Transcripts.

Dear Colleague:

As indicated in Dear Colleague Letter GEN-13-16 posted to IFAP on June 13, 2013, we encourage all FAFSA applicants to use the IRS Data Retrieval Tool (IRS DRT) to transfer official IRS tax return information into their FAFSA on the Web (FOTW) application, either when initially completing the FAFSA or by using the FOTW corrections process. We also noted in GEN-13-16 that acceptable documentation for verification of IRS tax return information is generally limited to the IRS DRT or an IRS Tax Return Transcript.

Important Note: Regardless of the request method used, the IRS cannot generate a Tax Return Transcript if the tax return has not yet been received and processed by the IRS. Generally, tax return information may be obtained by using the IRS DRT or by requesting tax return transcripts within three weeks of the e-filing of a return to the IRS, or within 8-11 weeks after submission to the IRS of a paper return. The attached chart provides more detail on when return information will be available for DRT and transcript request purposes. A limited number of tax returns take longer for the IRS to process, such as when the return includes errors, is incomplete, needs further IRS review, or is impacted by identity theft.

#### IRS 'Get Transcript Online' Tool

Beginning with the 2013 tax year (the 2014-2015 FAFSA Processing Year), the IRS has added a new, more efficient way that tax filers can request and receive Tax Return Transcripts. In the past, the IRS would always print and mail a paper transcript to the tax filer regardless of how the transcript request was submitted. With the new IRS 'Get Transcript Online' tool the tax filer submits an online transcript request to the IRS and, if the request is authenticated, a second window displays the transcript in Portable Document Format (PDF).

The PDF transcript can then be saved by the tax filer and/or printed for submission to the student's school. Or, if instructions for doing so have been provided by the school, the student may electronically forward the PDF of the transcript to the school's financial aid office. The PDF transcript will include the IRS logo and does not require additional validation from the IRS or its Taxpayer Assistance Centers.

This IRS enhancement will allow FAFSA applicants to provide IRS Tax Return Transcripts to their schools more efficiently and more quickly than in the past.

## Other Transcript Requests

Because of the new 'Get Transcript Online' tool, the IRS will no longer handle requests for transcripts at its Taxpayers Assistance Centers or by phone, except for the IRS automated phone tool at 1-800-908-9946. Tax filers who are unable to use the 'Get Transcript Online' tool will still be able to submit a transcript request online by using the online 'Get Transcript by Mail' option, or by using the IRS2GO mobile app, the automated phone tool at 1-800-908-9946, or by submitting a paper Form 4506 or 4506-T. However, all of these request methods will result in the IRS mailing a paper transcript to the tax filer. And, only in the case of requests made using paper can the tax filer identify a third party to receive the transcript.

## Transcripts for Victims of IRS Identity Theft

In an August 21, 2012, Electronic Announcement we provided guidance for tax filers who were victims of IRS identity theft. In that announcement we stated that the guidance would cover both the 2012-2013 and 2013-2014 award years. Because, as discussed below, the IRS has changed its tax return transcript process for tax filers determined to have been victims of IRS identity theft, the guidance from the August 21, 2012 Electronic Announcement will not be extended to the 2014-2015 and subsequent award years.

Beginning with the 2013 tax year, tax filers who, because of IRS identity theft, are denied an IRS Tax Return Transcript using one of the regular request processes will be referred to the Identity Protection Specialized Unit (IPSU) toll-free number at 800-908-4490. Filers who believe they are victims of identity theft do not need to be referred to the IPSU; they may call the number directly or go to the ID theft website on [irs.gov](http://irs.gov). After the IPSU authenticates the tax filer's identify, the tax filer can request that the IRS mail to the tax filer an alternate paper tax return transcript.

The alternate transcript is known as the TRDBV (Transcript DataBase View)(see the attached example), will look different from the regular IRS Tax Return Transcript provided as a result of the standard request methods.

It is, however, an official transcript that meets the Department's acceptable documentation requirement and therefore can be submitted to the school to meet verification requirements. Unless the school has reason to suspect the authenticity of the TRDBV, there is no need for the school to obtain an IRS signature or stamp or any other validation.

## Use of Third Parties to Obtain Transcripts (IVES)

We have been asked whether schools can consider, as acceptable documentation, tax return transcripts obtained from the IRS by a third-party who then forwards the transcript to the school. And, if so, would that third-party be considered a third-party servicer under the regulations at 34 CFR 668.25?

Generally, for an IRS Tax Return Transcript to be considered acceptable documentation, it must have been received directly from the IRS by the tax filer or the school. However, the IRS has developed a special Income Verification Express Service (IVES) process where, for Title IV student aid verification purposes, the school enters into an agreement with an IRS approved "IVES Participant", which will electronically submit completed and signed IRS 4506-T/4506T-EZ transcript requests to the IRS. The IRS will then send the IVES Participant an electronic IRS

Tax Return Transcript (in HTML format) that is then forwarded by the IVES Participant to the school. The IRS charges the IVES participant a small fee for each transcript requested.

We have determined that an IRS Tax Return Transcript received by a school from an IVES participant, if otherwise valid, meets the acceptable documentation standards for verification. This is true whether the transcript is delivered to the school in the original HTML format received by the IVES Participant from the IRS or in PDF or some other format converted by the IVES Participant from HTML. We have also determined that, for purposes of facilitating the request for and receipt of IRS Tax Return Transcripts, an IVES Participant is not a third-party servicer as provided in the regulations at 34 CFR 668.25.

Of course a school cannot accept a transcript received from an IVES participant in any format if it has any question about the authenticity of the transcript or the information on the transcript. We also remind schools that they cannot pass along or otherwise charge a student for the cost of using the IVES process or any other process.

Finally, it is our understanding from the IRS that any entity, including a postsecondary educational institution, could become an IVES participant. For information on IVES, go to <http://www.irs.gov/Individuals/Income-Verification-Express-Service>.

#### Use of "Per Computer" Information

In a verification Q&A posted on September 13, 2012 (DOC-Q&A14), we addressed differences that may occur between data on an IRS Tax Return Transcript and data transferred into an applicant's FAFSA using the IRS DRT or that appeared on a paper copy of the tax return. We noted in that Q&A that the IRS Tax Return Transcript may provide a "per computer" amount for certain tax information that is different than the amount the tax filer originally reported to the IRS and provided under the IRS DRT process. As noted in the Q&A, the per computer amount is provided by the IRS to correct mathematical and other errors and therefore is more accurate than the amount that is on the tax return or that was transferred through the IRS DRT.

While the guidance provided in the September 13, 2012, Q&A remains valid, changes have been made to minimize instances where the information transferred using the IRS DRT is different than information on the IRS Tax Return Transcript. Specifically, beginning with the 2014-2015 FAFSA Processing Year, the IRS DRT will provide IRS-corrected (per computer) values for the following tax return items: (1) Adjusted Gross Income (AGI), (2) Income Tax Paid, and (3) Education Tax Credits.

We hope the information provided in this letter is helpful. Questions should be referred to Federal Student Aid's Research and Customer Care Center Staff. Staff is available Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. (Eastern Time) at 1-800-433-7327. After-hours calls will be accepted by an automated voice response system. Callers leaving their names and phone numbers will receive a return call the next business day. Alternatively, you may e-mail the Care Center at [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov).

Sincerely,

Jeff Baker, Director, Policy Liaison and Implementation  
Federal Student Aid

Attachments/Enclosures: [see *below*]

2014-2015 FAFSA Verification Availability of 2013 IRS Information for The FAFSA on the Web  
IRS Data Retrieval Tool (IRS-DRT) and for Requesting IRS Tax Return Transcripts in Microsoft  
Word Format, 39KB, 2 Pages

Transcript DataBase View Sample in PDF Format, 31KB, 7 Pages

**2014-2015 FAFSA Verification  
Availability of 2013 IRS Information for  
The FAFSA on the Web IRS Data Retrieval Tool (IRS-DRT) and for Requesting IRS Tax Return Transcripts**

When a tax return filer who—	IRS DRT Available and IRS Tax Return Transcript May Be Requested	
	If Tax Return Filed Electronically	If Tax Return Filed by Paper
At the time their tax return was submitted to the IRS, has no amount owed or has an expected refund	<ul style="list-style-type: none"> <li>Generally tax returns are accepted by the IRS within a day or two of the return having been electronically filed with the IRS.</li> <li>In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested within <b>2-3 weeks</b> after the return has been accepted by the IRS.</li> </ul>	<ul style="list-style-type: none"> <li>Generally tax returns are accepted by the IRS when the tax return is received by the IRS.</li> <li>In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested <b>within 8-11</b> weeks after the tax return has been accepted by the IRS.</li> </ul>
At the time their tax return was submitted to the IRS, has an amount owed and makes a full payment on that amount	<ul style="list-style-type: none"> <li>Generally tax returns are accepted by the IRS within a day or two of the return having been electronically filed with the IRS.</li> <li>In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested <b>within 2-3 weeks</b> after the return has been accepted by the IRS.</li> </ul>	<ul style="list-style-type: none"> <li><b>IRS will process the tax return in June.</b></li> <li>In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested <b>within 2-3 weeks</b> after the tax return has been processed by the IRS.</li> </ul>
Has an amount owed and subsequent to submitting their tax return to the IRS, pays the full amount due	<ul style="list-style-type: none"> <li>Generally tax returns are accepted by the IRS within a day or two of the return having been electronically filed with the IRS.</li> <li>In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested <b>within 3-4 weeks</b> after the after full payment is made.</li> </ul>	<ul style="list-style-type: none"> <li><b>IRS will process the tax return in June.</b></li> <li>In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested <b>within 2-3 weeks</b> after the tax return has been processed by the IRS.</li> </ul>

<p>At the time their tax return was submitted to the IRS, has an amount owed and has not paid in full.</p>	<ul style="list-style-type: none"> <li>• Generally tax returns are accepted by the IRS within a day or two of the return having been electronically filed with the IRS. However, IRS will not process the return until May.</li> <li>• In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested within 2-3 weeks after the return has been processed in May.</li> </ul>	<ul style="list-style-type: none"> <li>• IRS will process the tax return in June.</li> <li>• In most cases, IRS DRT is available and an IRS Tax Return Transcript may be requested within 2-3 weeks after the tax return has been processed by the IRS.</li> </ul>
<p style="text-align: center;">Tax filers can expect to receive their IRS transcript          If requested <b>online</b>—in real -time using “Get Transcript”          If requested by <b>phone</b>— 5-10 business days after request is submitted          If requested by <b>paper (IRS Form 4506-T or IRS Form 4506T-EZ)</b>— 30 calendar days from the time the IRS receives and processes the signed request</p>		

TRDPG XXX-XX-XXXX ACCESS CODE:QA PAGE:001 OF 005  
2013-08-07 15:39:51 FORM-FAMILY:1040 TAXYR:2010 TRDB-DT-RCVD:2011-05-24  
NAME-CNTRL:XXXX TXPYR:P FILING STATUS:1 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:MF DUPLICATE RETURN POSTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

INDIVIDUAL NAME :  
FILER SSN XXX-XX-XXXX  
TAXPAYER CODE P  
T NAME CONTROL NAME XXXX  
FIRST NAME XXXXXXXX  
MIDDLE NAME X  
LAST NAME XXXXXXXXXXXXX  
SUFFIX TITLE XX

INDIVIDUAL NAME :  
FILER SSN XXX-XX-XXXX  
TAXPAYER CODE S  
T NAME CONTROL NAME XXXX  
FIRST NAME XXXXXXXX  
MIDDLE NAME X  
LAST NAME XXXXXXXXXXXXX

TRDPG XXX-XX-XXXX ACCESS CODE:QA PAGE:002 OF 005  
 2013-08-07 15:39:51 FORM-FAMILY:1040 TAXYR:2010 TRDB-DT-RCVD:2011-05-24  
 NAME-CNTRL:XXXX TXPYR:P FILING STATUS:1 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:MF DUPLICATE RETURN POSTED  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

DEPENDENT :  
 NAME CONTROL NAME XXXX  
 6C2 DEPENDENT SSN XXX-XX-XXXX  
 6C4 ELIGIBLE FOR TAX CREDIT IND Y

INDIVIDUAL RETURN :  
 7 WAGES AMOUNT \$58,203.00  
 8A TAXABLE INTEREST INCOME AMOUNT \$88.00  
 10 TAXABL REFUND OR CREDIT AMOUNT \$423.00  
 15B TAXABLE IRA DSTRBUTION AMOUNT \$18,000.00  
 16A GROSS PENSN AND ANNUITY AMOUNT \$23,164.00  
 19 UNEMPLYMENT COMPENSATN AMOUNT \$20,950.00  
 22 TOTAL INCOME AMOUNT \$97,664.00  
 37 ADJUSTED GROSS INCOME AMOUNT \$97,664.00  
 38 COPY ADJUSTD GROSS INCM AMOUNT \$97,664.00  
 40 TOTAL DEDUCTION AMOUNT \$28,859.00  
 41 AGI LESS DEDUCTION AMOUNT \$68,805.00  
 42 MAXIMUM EXEMPTION AMOUNT \$10,950.00



TRDPG XXX-XX-XXXX ACCESS CODE:QA PAGE:003 OF 005  
2013-08-07 15:39:51 FORM-FAMILY:1040 TAXYR:2010 TRDB-DT-RCVD:2011-05-24  
NAME-CNTRL:XXXX TXPYR:P FILING STATUS:1 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:MF DUPLICATE RETURN POSTED

LINE #	ENTITY/ATTRIBUTE	VALUE	CHANGED VALUE
	GROSS EXEMPTION AMOUNT	\$10,950.00	
43	TAXABLE INCOME AMOUNT	\$57,855.00	
44	TENTATIVE TAX AMOUNT	\$7,844.00	
	COMPUTED RATE SCH TAX AMOUNT	\$7,844.00	
	COMPUTED ALTMINTAX INCM AMOUNT	\$76,604.00	
46	TOT TAX PRIOR TO CREDIT AMOUNT	\$7,844.00	
48	CHILD CARE CREDIT AMOUNT	\$180.00	
49	EDUCATION CREDIT AMOUNT	\$90.00	90.20
51	CHILD TAX CREDIT AMOUNT	\$1,000.00	
	GROSS CHILD TAX CREDIT AMOUNT	\$1,000.00	
54	TOTAL CREDIT AMOUNT	\$1,270.00	
55	TOTAL POST CREDIT TAX AMOUNT	\$6,574.00	
58	QUALIFD RTRMNT PLAN TAX AMOUNT	\$1,800.00	
	COMPUTED TOTAL TAX AMOUNT	\$8,374.00	
	TOTAL TAX LIABILITY AMOUNT	\$8,374.00	
	TOTAL TAX ASSESSMENT AMOUNT	\$8,374.00	
60	TOTAL TAX AMOUNT	\$8,374.00	
61	WITHHLD FEDERL INCM TAX AMOUNT	\$5,849.00	

TRDPG XXX-XX-XXXX ACCESS CODE:QA PAGE:004 OF 005  
2013-08-07 15:39:51 FORM-FAMILY:1040 TAXYR:2010 TRDB-DT-RCVD:2011-05-24  
NAME-CNTRL:XXXX TXPYR:P FILING STATUS:1 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:MF DUPLICATE RETURN POSTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

62	ESTIMATED TAX PAYMENT AMOUNT		\$766.00
63	MAKING WORK PAY CREDIT AMOUNT		\$800.00
72	TOTAL PAYMENT AMOUNT		\$7,415.00
	T BAL DUE OR REFUND AMOUNT		\$964.00
	COMPUTED BAL DUE REFUND AMOUNT		\$964.00
77	ESTIMATED PENALTY AMOUNT		\$5.00
	INTEREST PENALTY DATE	2011-04-15	
	INTRST RDCTN OVRPYMNT AMOUNT		\$964.00
	IRS DISCUSS RETURN YES IND	Y	

THIRD PARTY DESIGNEE :  
DESIGNEE NAME :XXXXXXXXXXXXXXXXXXXX  
DESIGNEE PIN :XXXXX

PAID PREPARER :  
PREPARER PTIN :PXXXXXXXXX  
PREPARER FIRM EIN :XX-XXXXXXX  
PHONE NUMBER :XXXXXXXXXX

TRDPG XXX-XX-XXXX ACCESS CODE:QA PAGE:001 OF 001  
2013-08-07 15:53:01 FORM-FAMILY:1040 TAXYR:2010 TRDB-DT-RCVD:2011-05-24  
NAME-CNTRL:XXXX TXPYR:P FILING STATUS:1 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:8863 OCCURRENCE: 1 CURRENT-STATUS:MF DUPLICATE RETURN POSTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

EDUCATION EXPENSE INFORMATION :  
CREDIT TYPE HOPE  
STUDENT NAME CONTROL XXXX  
II3B STUDENT SSN XXX-XX-XXXX

EDUCATION CREDIT :  
II4 LIFETIME EXPENSE AMOUNT \$451.00 90.20  
III13 TOTAL CREDIT AMOUNT \$90.20

TRDPG XXX-XX-XXXX ACCESS CODE:QA PAGE:001 OF 001  
2013-08-07 15:51:59 FORM-FAMILY:1040 TAXYR:2010 TRDB-DT-RCVD:2011-05-24  
NAME-CNTRL:XXXX TXPYR:P FILING STATUS:1 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:5329 OCCURRENCE: 1 CURRENT-STATUS:MF DUPLICATE RETURN POSTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

INDIVIDUAL NAME :  
TAXPAYER CODE P  
FILER SSN XXX-XX-XXXX

IRA DISTRIBUTIONS TAX :  
I4 ADDITIONAL TAX AMOUNT \$1,800.00  
TOTAL DISTRIBUTIONS TAX AMOUNT \$1,800.00

TRDPG XXX-XX-XXXX ACCESS CODE:QA PAGE:001 OF 001  
2013-08-07 15:50:32 FORM-FAMILY:1040 TAXYR:2010 TRDB-DT-RCVD:2011-05-24  
NAME-CNTRL:XXXX TXPYR:P FILING STATUS:1 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:2441 OCCURRENCE: 1 CURRENT-STATUS:MF DUPLICATE RETURN POSTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

CARE PROVIDER INFORMATION :

NAME CONTROL NAME XXXX  
I1C CARE PROVIDER TIN XXXXXXXXXX

CARE EXPENSE QUALIFYING PERSON:

NAME CONTROL NAME XXXX  
II2B QUALIFYING PERSON SSN XXX-XX-XXXX  
II2C EXPENSE AMOUNT \$900.00

CHILD AND DEPENDENT CARE EXPNS:

II3 QUALIFIED EXPENSE AMOUNT \$900.00  
II4 SELF EARNED INCOME AMOUNT \$2,789.00  
II5 SPOUSE EARNED INCOME AMOUNT \$55,414.00  
II6 SMALLEST INCM OR EXPNS AMOUNT \$900.00  
II11 CHILD CARE CREDIT AMOUNT \$180.00