



Treasury Inspector General for Tax Administration

FISCAL YEAR 2008 STATUTORY REVIEW OF DISCLOSURE OF COLLECTION ACTIVITY WITH RESPECT TO JOINT RETURNS

Issued on March 28, 2008

Highlights

Highlights of Report Number: 2008-40-099 to the Internal Revenue Service Commissioner for the Small Business/Self-Employed Division and Commissioner for the Wage and Investment Division.

IMPACT ON TAXPAYERS

Internal Revenue Code Section (I.R.C. §) 6103(e)(8) gives joint filer taxpayers who are no longer married or no longer reside in the same household the right to request information regarding the Internal Revenue Service's (IRS) efforts to collect delinquent taxes on their joint return liabilities. The IRS has implemented procedures for responding to requests from taxpayers concerning collection activity on their joint tax liabilities. TIGTA believes these procedures provide IRS employees sufficient guidance for handling these requests in accordance with the law.

WHY TIGTA DID THE AUDIT

This audit was initiated because the IRS Restructuring and Reform Act of 1998 added I.R.C. § 7803(d)(1)(B), which requires TIGTA to annually review and certify the IRS' compliance with I.R.C. § 6103(e)(8). This provision was enacted due to Congressional concern about the treatment of separated or divorced taxpayers. There had been instances where divorced taxpayers, who had previously signed a joint tax return, were being pursued for payment of taxes due but were not aware that a tax return filed during the marriage had been audited or that a deficiency had been imposed on the return.

WHAT TIGTA FOUND

IRS procedures provide employees with sufficient guidance for handling joint filer collection activity information requests. The IRS Internal Revenue Manual includes procedures for responding to taxpayers who file jointly and submit written requests for information on IRS collection activity. It instructs employees to disclose whether any attempts have been made to collect the tax due from either one of the joint filers, the current collection status, and the amount collected to date. The Internal Revenue Manual procedures also allow employees to provide both oral and written responses to taxpayers.

While the procedures for handling joint filer collection activity information requests are sufficient, TIGTA could not determine if the IRS fully complied with I.R.C. § 6103(e)(8) requirements when responding to written collection activity information requests from joint filers. IRS management information systems do not separately record or monitor joint filer requests, and there is no legal requirement for the IRS to do so. Further, TIGTA does not recommend the creation of a separate tracking system.

WHAT TIGTA RECOMMENDED

Because TIGTA made no recommendations in this report, comments from the IRS were not required.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to

<http://www.treas.gov/tigta/auditreports/2008reports/200840099fr.pdf>.

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