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IRS to stop faxing tax transcripts, mailing returns to third parties

The IRS today announced that it will stop faxing tax transcripts in June 2019 and that it will amend the Form 4506 series to end the current practice of mailing tax returns and transcripts to third parties in July 2019.

According to an IRS release—[IR-2019-101](#)—the IRS is taking these steps to protect taxpayer data.

These changes will affect lenders, colleges and universities, and others that use tax returns and tax transcripts for income verification purposes.

Faxing to stop June 28

The tax transcript faxing service will end June 28, 2019. At that time, the IRS will stop faxing tax transcripts of individual and business transcripts to taxpayers and third parties (including tax professionals). The IRS release states there are still several options for individual taxpayers and for tax professionals to obtain a tax transcript.

Mailings to third-parties to stop July 1

The third-party mailing of tax transcripts will stop July 1, 2019.

The IRS will no longer provide to third parties—including lenders, colleges and universities (that use the information for financial aid purposes) as well as tax professionals—tax transcripts that are requested on Form 4506, Form 4506-T and Form 4506T-EZ.

The Form 4506 series is currently used by lenders and others to verify income for non-tax purposes. According to the IRS, colleges and universities are among the largest users of these forms for purposes of verifying income for financial aid purposes.

After July 2019, taxpayers may continue to use these forms to obtain a copy of their own tax returns or tax transcripts. Also, the IRS stated that this change will not affect use of the IRS Data Retrieval Tool through the Free Application for Federal Student Aid (FAFSA) process.

The IRS release noted that third parties that currently use the Form 4506 series for income verification purposes have other alternatives available to them—for instance, the IRS [Income Verification Express Service](#) (IVES) that allows those with proper authorization to order transcripts. Lenders or higher education institutions can either contract with existing IVES participants or become IVES participants themselves.

Alternatively, taxpayers may choose to provide transcripts to those making requests for this information (instead of authorizing the third party to request these transcripts from the IRS on their behalf).

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