

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



The IRS Can Improve the Process Used to Refer Taxpayer Inquiries to Other Business Units

June 17, 2026

Report Number: 2026-100-027

HIGHLIGHTS: The IRS Can Improve the Process Used to Refer Taxpayer Inquiries to Other Business Units

Final Audit Report issued on June 17, 2026

Report Number 2026-100-027

Why TIGTA Did This Audit

If an IRS Customer Service Representative (CSR) cannot resolve a taxpayer's inquiry, a referral should be made to the appropriate IRS business unit. CSRs in the Taxpayer Services Division initiate referrals using Form 4442, *Inquiry Referral*. For example, if a CSR determines that an Individual Taxpayer Identification Number needs to be rescinded since the taxpayer has a Social Security Number, the CSR should send a referral to the Taxpayer Services Division's Submission Processing function to address the issue.

We assessed the documentation, tracking, and monitoring controls for referrals created when a taxpayer's inquiry cannot be resolved during initial contact with a CSR.

Impact on Tax Administration

Taxpayers have the right to quality service, which requires the IRS to provide prompt and accurate answers to taxpayer questions.

However, if the IRS does not maintain complete and accurate information of the steps taken to resolve a taxpayer's inquiry, it is difficult to determine if taxpayers' inquiries were promptly and accurately resolved.

What TIGTA Found

The Taxpayer Services Division receives and works a significant number of inquiry referrals each fiscal year within the Account Management Services (AMS) system. In Fiscal Year 2024, Taxpayer Services employees created 516,000 referrals and sent 230,000 inquiries to other IRS business units to resolve. These referrals, captured on Form 4442, are removed from the AMS system 60 days after the CSR either resolves or refers the inquiry. Only the historical narrative remains to document referral actions. However, not all Taxpayer Services employees capture information in the historical narrative as required. As a result, if a taxpayer calls the IRS again about the same issue, a CSR may need to retrace prior actions, increasing handling time and delaying responses.

We reviewed the documentation for a statistical sample of 135 taxpayers that had an inquiry referred to another IRS business unit in Calendar Year 2024. This enabled us to determine if employees included required information that helps ensure that inquiries are handled properly and routed to the correct business unit. We identified 45 taxpayers (33 percent) whose referral did not have the Internal Revenue Manual reference or electronic fax (e-fax) number included in the historical narrative. Additionally, we identified 11 taxpayers (8 percent) whose referral did not contain a closing action code in the historical narrative. Although some of this information (*e.g.*, the Internal Revenue Manual reference) may be captured on Form 4442, as previously stated, the form is removed 60 days after closure.

We also found that individual IRS business units that receive referrals are not consistently tracking information, such as referral timeliness and case closure details. In addition, there are 151 e-fax numbers for CSRs to choose from when sending a referral to the business units across 20 IRS different locations. This volume of e-fax numbers increases the risk of CSRs sending the taxpayer's referral to the wrong location, resulting in lost referrals or delayed resolutions. A centralized intake, tracking, and resolution process for business units that work referrals outside of tracking system will ensure that taxpayers receive prompt and accurate assistance.

What TIGTA Recommended

We made two recommendations to the Chief, Taxpayer Services. They included:

- Requiring CSRs to include the AMS case number in the historical narrative section of each case.
- Developing a centralized intake, tracking, and resolution process for inquiry referrals processed outside of AMS.

IRS management agreed with both of our recommendations.



**TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION**

**U.S. DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20024**

June 17, 2026

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Diana M. Tengesdal
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – The IRS Can Improve the Process Used to Refer
Taxpayer Inquiries to Other Business Units (Audit No.: 2025100008)

This report presents the results of our review to assess the documentation, tracking, and monitoring controls for referrals created when a taxpayer's inquiry cannot be resolved during initial contact. This review was part of our Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Improving Taxpayer Service and Protecting Taxpayer Rights*.

Management's complete response to the draft report is included as Appendix III. If you have any questions, please contact me or Kasey J. Koontz, Acting Assistant Inspector General for Audit (Taxpayer Services and Operational Support).

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Background

According to the Taxpayer Advocate Service, the IRS received over 100 million telephone calls in Fiscal Year (FY) 2025.¹ If a taxpayer's question or account correction cannot be resolved while the taxpayer is on a telephone call, a Customer Service Representative (CSR) within the Taxpayer Services Division should make a referral using Form 4442, *Inquiry Referral*, to the appropriate IRS business unit. For example, if a CSR determines that an Individual Taxpayer Identification Number needs to be rescinded since the taxpayer has a Social Security Number, the CSR should send a referral to the Taxpayer Services Division's Submission Processing function to address the issue.²

Before making a referral, CSRs should perform research by reviewing the Internal Revenue Manual (IRM), relevant publications, tax forms, job aids, and IRS data systems. CSRs should also review the Account Management Services (AMS) system for current or previously worked issues. Referrals should be created when:

- The CSR is not trained to perform the needed resolution.
- The IRM directs the CSR to prepare a Form 4442.
- The taxpayer's account includes a freeze or other code that prevents the CSR from taking action (*e.g.*, possible identity theft has been identified).

When a referral is prepared, CSRs must provide the taxpayer with an expected response time, as outlined in the specific IRM requiring the referral. If a time frame is not listed, CSRs should tell the taxpayer they will receive an update within 30 calendar days. A CSR should prepare all referrals in the AMS system. The AMS system includes an electronic Form 4442 (e-4442) that helps to prepare, electronically route, review, and work this inventory. For IRS functions that do not have access to AMS, CSRs can convert the e-4442 into a digital format (*e.g.*, portable document file) and send the taxpayer's referral via an electronic fax (e-fax).

The Taxpayer Services Division receives and works a significant number of inquiry referrals each fiscal year within AMS. It also refers cases to other IRS business units when it cannot resolve them. These cases are then either worked within AMS (if the function has access) or received via e-fax and worked according to a business unit's internal procedures. Taxpayer Services tracks and monitors the inquiry referral inventory on AMS. It compiles directorate reports from the AMS system that summarize the referrals by type. These reports include all referrals initiated in AMS and are tracked by the different functions within Taxpayer Services. Figure 1 shows the number of inquiries created, closed, and referred to other business units for FYs 2019 through 2025 according to the directorate reports.³

¹ National Taxpayer Advocate, *Annual Report to Congress Fiscal Year 2025* (January 2026).

² See Appendix IV for a glossary of terms.

³ According to IRS management, counts on the e-4442 directorate reports may include duplicate entries due to referrals being reassigned, corrected, and resubmitted. As a result, total cases created may not equal the number of cases closed and the number of cases referred to other business units. We discuss the duplicate entries later in this report.

Figure 1: Inquiry Referrals Initiated in Taxpayer Services for FYs 2019 through 2025

Fiscal Year	Cases Created in AMS	Cases Closed in AMS	Cases Referred to Other Business Units
2019	485,428	142,249	293,805
2020	391,755	121,538	229,422
2021	525,965	188,353	286,277
2022	417,706	215,152	176,123
2023	465,161	232,187	189,305
2024	516,057	231,907	230,247
2025	400,811	199,050	167,574

Source: IRS AMS e-4442 Directorate Reports for FYs 2019 through 2025.

A complete inquiry referral should contain the following taxpayer and referral information, in either the designated field or the case historical narrative section:

- The IRS employee’s name and identification number.
- The taxpayer’s name on the return and the Taxpayer Identification Number.
- The received date and time.
- The tax period.
- The referring location.
- The taxpayer’s inquiry.
- The manager’s digital signature.
- The proposed resolution.

Figure 2 shows an excerpt of some of the required fields on Form 4442.⁴

Figure 2: Form 4442, Inquiry Referral

Report #	Campus
22. Caller	23. Relationship/Position Of Caller (If other than taxpayer) <input type="checkbox"/> POA/TIA on File <input type="checkbox"/> Third Party Designee
24. Taxpayer's Telephone Number(s) – Include Best Time To Call and Preferred Language Number _____ Time _____ <input type="checkbox"/> English <input type="checkbox"/> Spanish Number _____ Time _____ <input type="checkbox"/> Other	25. Third Party Daytime Telephone Number
Part III – Section A IRS Case Resolution	
26. Name	27. ID Number
28. Location	29. Received Date
Section B Taxpayer Inquiry/Proposed Resolution	
Section C Response/Final Resolution	

Source: Excerpt of IRS Form 4442.

⁴ See Appendix II for a full copy of a Form 4442.

Many fields auto-populate; however, the CSR must enter the taxpayer inquiry and proposed resolution (shown in Section B of Figure 2) in the historical narrative sections in AMS. Some additional information that is contained in AMS is:

- The case status.
- The case number.
- The referral type.
- The case log shows the CSRs who worked on the referral and the managers who reviewed, approved, or denied the referral.

Lead CSRs provide guidance to other CSRs when they are unsure of how to handle a taxpayer inquiry. This also includes rejecting referrals. Lead CSRs or managers must review referrals within three business days to verify that all required information, including explanations, time frames, and IRM references are included.

The IRS considers a referral as closed once the taxpayer has been notified that their inquiry has been resolved. A referral worked in the AMS (*i.e.*, e-4442) will then remain available for 60 days. After 60 days, only the historical narrative, which should include the taxpayer inquiry and closing action, will be available. IRS functions that do not have access to AMS work the referral as a part of the other business units' internal procedures.

Results of Review

Insufficient documentation of inquiry referrals limits CSR visibility into prior actions and contributes to delays in resolving taxpayer inquiries. Forms 4442 are removed from AMS after 60 days, leaving historical narratives that do not consistently capture required information, such as IRM references, e-fax numbers, case numbers and closing actions. As a result, if a taxpayer calls the IRS again about the same issue, CSRs may be unable to promptly update the taxpayer due to increased time it takes to research prior actions. For cases worked outside of AMS, business units are not consistently tracking information, such as referral timeliness and case closure details. The insufficient documentation could make it difficult for the CSR to determine whether referrals relate to a prior inquiry, verify proper routing, or confirm case resolution. Strengthening documentation requirements would improve consistency, reduce taxpayer burden, and enhance the timeliness and quality of taxpayer service.

Insufficient Documentation Can Delay Responses to Taxpayers

Removal of Forms 4442 after 60 days limits the information available in the case history

Forms 4442 are removed from AMS 60 days after closure, leaving only the historical narrative to document referral actions. However, not all information is captured in the historical narrative as required. As a result, if the taxpayer calls the IRS again about the same issue, CSRs may need to retrace their prior actions, increasing handling time and delaying responses.

The IRS considers Form 4442 a temporary record and removes it from the AMS 60 days after resolving the taxpayer inquiry. Once removed, important information maintained on Form 4442,

such as IRM references, managerial decisions, and rejection reasons, are no longer available.⁵ This makes it difficult for a CSR to understand the complete referral history and provide timely assistance. According to IRS management, the 60-day time frame was established in 2008 and is consistent with the IRS's records retention schedule. In contrast, the historical narratives associated with each inquiry referral are maintained in AMS for 36 months after a tax account is last accessed. Historical narratives are important because they should include the reason for the inquiry referral, the case log, IRM references, and e-fax numbers showing where the referral was sent.

Information in historical narratives could also inform a CSR of the reason for multiple Form 4442 entries. Our review of 529,442 unique taxpayers that had an inquiry referral in Calendar Year (CY) 2024, identified approximately 112,000 taxpayers (21 percent) with multiple Form 4442 entries in the historical narrative.⁶ Multiple entries can be created in certain circumstances. For example, if a lead CSR provides feedback or approves/rejects a Form 4442, a second Form 4442 entry will be created in the history file for the correction and approval. However, because Form 4442 information is deleted after 60 days, a CSR may not be able to determine if the entries are for the same or a different inquiry referral.

CSRs did not always document required information in the historical narrative that ensures proper handling of taxpayer inquiries

We reviewed the historical narratives for a statistical sample of 135 of the 529,442 taxpayers and identified 45 taxpayers (33 percent) whose referral did not have the IRM reference or e-fax number included in the historical narrative.⁷ During our review, the IRM required that the CSR include the IRM reference in the narrative. However, the IRM was not specific that the e-fax number should also be documented in the narrative. This information assists with ensuring that taxpayer inquiries are handled properly and routed to the correct business unit. There is a place in AMS for the CSR to include a link to the IRM when they create Form 4442. However, as previously stated, 60 days after the referral is closed, Form 4442 will be removed from the system and the IRM reference will no longer be available.

Because the historical narrative is retained for 36 months, documenting the required IRM reference and e-fax number there helps ensure that taxpayer inquiries are handled properly and routed to the correct business unit. This would also help improve the timeliness and quality service a taxpayer receives.

Management Action: As a result of our review, IRS management revised the IRM in May 2025 to state that the IRM reference and e-fax number must be documented in all inquiry referrals narratives.

⁵ A manager may reject or deny a Form 4442 if the initiating employee resolves the taxpayer's issue themselves by the end of their tour of duty, or if the form has errors or is missing required details.

⁶ We analyzed data by calendar year to identify Forms 4442 that were created in the same year the corresponding tax returns were filed.

⁷ Our sample was selected using a 90 percent confidence interval, 50 percent error rate, and ± 10 percent precision factor.

The IRS needs to include case numbers in the historical narrative when referrals are sent to other business units to improve tracking

In addition, we identified 11 taxpayers (8 percent) whose historical narratives did not include a closing action code. A closing action code shows that a case or issue has been resolved, generally with a notated final resolution. According to the IRM, Forms 4442 that are sent electronically should have an associated closing action code when Form 4442 is closed. However, when a Form 4442 is e-faxed and sent to another business unit, it closes the referral in AMS and no other closing entry is required.

There were no procedures in place for a CSR to add a closing action code in the historical narrative for e-faxed Forms 4442. As previously noted, Form 4442 information cannot be viewed when the form is removed after 60 days, thus it is important that the closing action is noted in the historical narrative to avoid unnecessary delays resolving a taxpayer's inquiry.

During this review, we recommended that the Chief, Taxpayer Services use a unique AMS case number for Form 4442 inquiries and require CSRs to add the case number to the AMS historical narratives. This would help employees in the business units working outside of AMS to identify whether identical Forms 4442 are for the same inquiry.

However, the guidance does not require its use, limiting the effectiveness of the corrective action.⁸ Requiring IRM references, e-fax numbers, case closing information, and the case number in case documentation would strengthen case tracking and consistency, reduce taxpayer burden, and improve the quality and timeliness of issue resolution.

Recommendation 1: The Chief, Taxpayer Services, should revise the IRM 21.3.5, *Taxpayer Inquiry Referrals Form 4442*, to require CSRs to add the AMS case number in the historical narrative section within AMS.

Management's Response: IRS management agreed with this recommendation. On May 28, 2025, the IRS issued Internal Revenue Manual Procedural Update 25U3344, which states that the unique case number may be used when leaving AMS narratives. Additionally, the new Form 4442, *Inquiry Referral*, workflow will assign a unique case number that will automatically be recorded in the AMS history section.

Office of Audit Comment: While IRS management agreed with this recommendation, the updated IRM does not require the CSRs to include the case number. As previously stated, requiring the case number, IRM references, *etc.*, would strengthen case tracking and consistency, reduce taxpayer burden, and improve the quality and timeliness of issue resolution. However, when the IRS implements the new Form 4442 workflow, this should address our recommendation since the workflow will assign a unique case number that will be automatically recorded in the AMS history section.

⁸ IRM 21.3.5, *Taxpayer Inquiry Referrals Form 4442*, (August 25, 2025).

IRS Business Units Lack a Standardized Process for Tracking and Monitoring Inquiry Referrals

As previously stated, business units that do not have access to AMS receive Forms 4442 via e-fax. Upon receipt, business units, such as Criminal Investigation (CI), the Small Business/Self-Employed (SB/SE) Division, and the Tax-Exempt and Government Entities (TE/GE) Division, will record information from the Form 4442 into separate spreadsheets to track and monitor this inventory. However, we determined that the business units are not consistently tracking information, such as referral timeliness and case closure details.

We selected a statistically valid sample of 54 of the 274 CY 2024 Forms 4442 sent to the SB/SE Division. We reviewed 26 Forms 4442 (48 percent) and determined that essential details were missing.⁹ This includes information such as the final resolution, the name of the employee handling the referral, a digital signature showing managerial review, or the case closure date. Without this information, it is unclear how the case was managed or when it was resolved. SB/SE Division staff could not locate a Form 4442 for the remaining 28 cases (52 percent) and limited their research due to resource constraints.

We observed similar documentation and retention issues with CI and the TE/GE Division's inventory tracking spreadsheets. We also attempted to review a statistically valid sample of Forms 4442 from CI and the TE/GE Division but neither business unit could provide them because they did not retain the forms. Instead, we tried to reconcile the inventory tracking spreadsheets maintained by the business units with AMS records. However, the identifying information on the spreadsheets was different than what was captured in AMS. For example, TE/GE provided a case identifier that cannot be used in AMS, and many CI cases lacked Taxpayer Identification Numbers. If the IRS used a universal tracking number for Forms 4442, anyone following up on the results of a referral and the status of a taxpayer's inquiry could review the information in AMS.

Each business unit maintains multiple e-fax numbers, increasing the risk of misdirected Forms 4442

We identified 151 e-fax numbers across 20 different IRS locations used by CSRs to send Forms 4442 to the business units that do not have access to the AMS. For example, there are 9 different Accounts Management locations where a CSR can send Forms 4442. This volume of e-fax numbers increases the risk of CSRs sending the Form 4442 to the wrong location, resulting in lost referrals or delayed resolutions.

In a prior report, we recommended that the TE/GE Division establish a process to track, monitor, and measure performance for Form 4442 referrals to ensure that taxpayers receive prompt and satisfactory responses.¹⁰ TE/GE management implemented this recommendation and now receives all inquiry referrals through a centralized email inbox, instead of multiple e-fax numbers. TE/GE then tracks and monitors the inquiry referrals in the same manner as its other TE/GE case work.

⁹ Our sample was selected using a 90 percent confidence interval, 50 percent error rate, and ± 10 percent precision factor.

¹⁰ TIGTA, Report No. 2024-100-003, *Thousands of Tax Exempt and Government Entities Taxpayers May Not Have Received Satisfactory Responses to Their Questions*, p. 5 (October 2023).

We believe IRS management should establish a similar, centralized intake, tracking, and resolution processes for the other business units that work referrals outside of AMS. Once the centralized processes are in place, the CSRs will no longer need to annotate one of the 151 e-fax numbers in the referral narrative field within AMS. These new processes will allow the business units to monitor referral receipt, resolution timeliness, and document accuracy. In addition, they will mitigate the risk of referrals being sent to the wrong location. These steps will ensure that taxpayers receive prompt and accurate assistance, in accordance with the right to quality service as stated in the *Taxpayer Bill of Rights*.¹¹

Recommendation 2: The Chief, Taxpayer Services, should collaborate with the Commissioner, SB/SE Division, Commissioner TE/GE Division and Chief, CI to develop centralized intake, tracking, and resolution processes for inquiry referrals processed outside of AMS, and ensure that business unit employees working outside of AMS use the AMS case number in their tracking processes.

Management's Response: IRS management agreed with this recommendation and they are creating a new Form 4442, *Inquiry Referral*, workflow that will deliver the functionality recommended.

¹¹ Publication 1, *Your Rights as a Taxpayer* (Rev. 9-2017)

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to assess the documentation, tracking, and monitoring controls for referrals created when a taxpayer's inquiry cannot be resolved during initial contact. To accomplish our objective, we:

- Assessed the effectiveness of IRS processes and procedures for managing Form 4442 inventory.
 - Obtained and reviewed the processes and procedures for managing Form 4442 referrals within CI and the SB/SE, TE/GE, and Taxpayer Services Divisions.
 - Obtained the AMS e-4442 Directorate Report for FYs 2019 through 2025 and interviewed Taxpayer Services Division management to determine how they use the AMS e-4442 Directorate Report and any potential limitations the report may have.
 - Assessed the IRS's progress in implementing the recommendations made in our prior report.
- Determined whether CY 2024 Forms 4442 worked in AMS and by other business units are properly documented and monitored.
 - Selected a statistically valid sample of 135 of the 529,442 unique taxpayers that had an inquiry referral in CY 2024, from the: (1) 112,243 taxpayers (21 percent) that had more than one Form 4442 entry in the AMS historical narrative for the same issue and same tax period, but did not have the same creation date for the Form 4442 potentially indicating multiple Forms 4442 for the same issue; (2) 417,199 (79 percent) taxpayers that only had one Form 4442 entry in the historical narrative in CY 2024.
 - ¹ We relied on the statistician to verify our sampling methods. We reviewed this sample against information presented on the AMS to determine whether the cases were properly documented.
 - Selected a statistically valid sample of 54 of the 274 CY 2024 Forms 4442 sent to the SB/SE Division.² We relied on the statistician to verify our sampling methods. We reviewed this sample against information presented on Forms 4442, if available, and the spreadsheets themselves to determine whether the cases were properly documented and tracked.

Performance of This Review

This review was performed with information obtained from CI and the SB/SE and TE/GE Divisions located in Washington, D.C. and from the Taxpayer Services Division located in Atlanta, Georgia

¹ Our sample was selected using a 90 percent confidence interval, 50 percent error rate, and ± 10 percent precision factor.

² Our sample was selected using a 90 percent confidence interval, 50 percent error rate, and ± 10 percent precision factor.

during the period September 2024 through August 2025. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Data Validation Methodology

We obtained extracts from the AMS database for CY 2024. We obtained this dataset from TIGTA's Data Center Warehouse. In addition, we obtained CY 2024 Form 4442 inventory from CI and the SB/SE and TE/GE Divisions. Finally, we obtained IRS AMS e-4442 Directorate Reports for FYs 2019 through 2025. We performed tests to assess the reliability of data from TIGTA's Data Center Warehouse and the IRS. We evaluated the data by (1) performing electronic testing of required data elements, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the policies, procedures, and practices related to Form 4442 inquiry referrals in CI and the Taxpayer Services, SB/SE, and TE/GE Divisions. We evaluated these controls by reviewing source documents, interviewing IRS management and employees, and conducting data analyses.

Appendix II

Form 4442, Inquiry Referral

Clear Form

Inquiry Referral

(See Instructions on Page 2)

Part I		IRS	
1. Employee's Name	2. ID Number	3. Received Date and Time	4. Location
5. Referring To	6. Date and Time		7. Manager's Signature

Part II Taxpayer Data/Disclosure Check						
8. Taxpayer's Name on Return			9. TIN	10. Date Of Birth		
11. Spouse's Name (if Joint) or DBA			12. Spouse's TIN			
13. Current Address			14. Address On Return Or Last Known Address (If different from Current)			
<input type="checkbox"/> Address Change Requested						
15. Form(s)	16. Plan/Report #	17. Tax Period	18. Processing Campus	19. Date Filed	20. Filing Status	21. Ref./Bal.
22. Caller			23. Relationship/Position Of Caller (If other than taxpayer)			
			<input type="checkbox"/> POA/TIA on File <input type="checkbox"/> Third Party Designee			
24. Taxpayer's Telephone Number(s) – Include Best Time To Call and Preferred Language					25. Third Party Daytime Telephone Number	
Number	Time	<input type="checkbox"/> English <input type="checkbox"/> Spanish				
Number	Time	<input type="checkbox"/> Other				

Part III – Section A		IRS Case Resolution	
26. Name	27. ID Number		
28. Location	29. Received Date		

Section B	Taxpayer Inquiry/Proposed Resolution

Section C	Response/Final Resolution
30. Date Interim Response Sent	31. Date Case Closed

Source: IRS.

Appendix III

Management's Response to the Draft Report



CHIEF
TAXPAYER SERVICES

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

May 18, 2026

MEMORANDUM FOR DIANA M. TENGEDAL
Deputy Inspector General for Audit

FROM:

Kenneth C. Corbin 
Chief, Taxpayer Services Division

Digitally signed by Kenneth C.
Corbin
Date: 2026.05.19 08:51:29
-0400

SUBJECT:

Draft Audit Report – The IRS Can Improve the Process Used to
Refer Taxpayer Inquiries to Other Business Units
(Audit No.: 2025100008)

Thank you for the opportunity to review and comment on the draft report. While most taxpayer inquiries can be resolved through initial contact, some require a referral to other IRS functions to ensure taxpayers receive specialized attention their issues warrant. These referrals are completed using Form 4442, *Inquiry Referral*. Each year, we generate hundreds of thousands of these inquiry referrals as part of our efforts to resolve taxpayer issues accurately and efficiently. These referrals play a critical role in the overall taxpayer experience, and we are committed to strengthening our processes, enhancing tracking, and implementing improvements to ensure they are handled effectively and in a timely manner.

To strengthen consistency and improve tracking, in May 2025 we updated our Internal Revenue Manual to ensure employees are entering narratives in the Accounts Management Services (AMS) system for every Form 4442 referral. This narrative now serves as the formal closing action and includes a unique case number, providing clearer and more reliable documentation of the referral's final disposition. Additionally, we now require the employees include a fax number directly on Form 4442 to mitigate potential issues when the receiving IRS function does not have access to AMS.

To enhance accountability and reduce resolution delays, we strengthened internal controls by increasing oversight of Form 4442 referrals. This includes directly communicating with staff when referral action dates pass without resolution and reinforcing expectations for timely follow-up. We are also implementing a new workflow to provide centralized tracking for all Forms 4442, enabling more effective monitoring

through resolution and helping ensure taxpayers receive prompt, high-quality service in accordance with the *Taxpayer Bill of Rights*¹.

Our responses to your specific recommendations are enclosed. If you have any questions, please contact me, or a member of your staff may contact Joseph Dianto, Director, Customer Account Services, at 470-639-3504.

Attachment

¹ Publication 1, Your Rights as a Taxpayer (Rev. 9-2017)

Attachment

Recommendations

The Chief, Taxpayer Services, should:

RECOMMENDATION 1

Revise the IRM 21.3.5, Taxpayer Inquiry Referrals Form 4442, to require CSRs to add the AMS case number in the historical narrative section within AMS.

CORRECTIVE ACTION

We agree with this recommendation. On May 28, 2025, we issued Internal Revenue Manual Procedural Update 25U3344, which states that the unique case number may be used when leaving AMS narratives. Additionally, the new Form 4442, *Inquiry Referral*, workflow will assign a unique case number that will automatically be recorded in the AMS history section.

IMPLEMENTATION DATE

October 15, 2026

RESPONSIBLE OFFICIAL

Director, Accounts Management, Customer Account Services, Taxpayer Services Division

RECOMMENDATION 2

The Chief, Taxpayer Services, should collaborate with the Commissioner, SB/SE Division, Commissioner TE/GE Division and Chief, CI to develop centralized intake, tracking, and resolution processes for inquiry referrals processed outside of AMS, and ensure that business unit employees working outside of AMS use the AMS case number in their tracking processes.

CORRECTIVE ACTION

We agree. We are creating a new Form 4442, *Inquiry Referral*, workflow that will deliver the functionality recommended.

IMPLEMENTATION DATE

October 15, 2026

RESPONSIBLE OFFICIAL

Director, Accounts Management, Customer Account Services, Taxpayer Services Division

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

Appendix IV

Glossary of Terms

Term	Definition
Account Management Services	The AMS is an IRS web-based resource that provides employees with access to multiple IRS systems and allows inventory management, case delivery, history narratives, and print to e-fax capabilities for sending information to taxpayers, and electronic referral generation.
E-fax	E-fax refers to the IRS's Enterprise Electronic Fax system, which digitally receives, and routes faxed documents within the IRS. It converts incoming faxes into secure electronic files for internal processing.
Individual Taxpayer Identification Number	An Individual Taxpayer Identification is a nine-digit number the IRS issues if a taxpayer needs a U.S. taxpayer identification number for federal tax purposes but is not eligible for a Social Security Number.
Tax Account	A tax account is defined as a unique tax module, which is a record of tax data for a specific taxpayer covering one return for a single tax period.
Data Center Warehouse	A collection of IRS databases containing various types of taxpayer accounts as well as IRS and TIGTA employee information that TIGTA maintains to analyze data for ongoing audits.

Appendix V

Abbreviations

AMS	Account Management Services
CI	Criminal Investigation
CSR	Customer Service Representative
CY	Calendar Year
FY	Fiscal Year
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
SB/SE	Small Business/Self-Employed Division
TE/GE	Tax-Exempt and Government Entities Division
TIGTA	Treasury Inspector General for Tax Administration



**To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at
TIGTACommunications@tigta.treas.gov.**

Information you provide is confidential, and you may remain anonymous.