

Tax Guard Support Issues and FAQs

Common support issues Abrigo partnership users have encountered while using the Tax Guard integration.

Common Support Issues

No Record of Return found

Issue: There is no information on the transcript, it just states “No Record of Return Found”.

Solution:

There are several reasons we have found that would result in a transcript showing “No Record of Return Found”. Below are the 4 most common reasons we see this result:

1. The taxpayer did not actually file their tax return(s), the return may never have been received/processed by the IRS, or the IRS may have received and rejected the return.
2. The IRS is extremely backed up, so it could still be in processing.
3. The return could have been filed incorrectly. If the taxpayer changed filing types but did not fill the proper paperwork and/or get an approval letter from the IRS, they are still required to file the previous form type. For example, if they are currently required to file 1065 returns and they want to start filing 1120S returns they must file Form 2553 with the IRS. If they never receive an approval letter from the IRS, they still must file a 1065 return, or call the IRS for verification of the updated election – for which we would always recommend receiving written confirmation via fax or mail. Taxpayers often begin filing 1120S without getting the 2553 acceptance letter from the IRS, which will lead to a rejected return.
4. An error with the IRS system or the agent that we speak with. (Because of the human nature of our process there is a very small chance for error with the agents we speak with).
5. Single Member LLC (SMLLC) – a new order needs to be placed for the individual. Simply create a new ‘Individual’ client in the portal with the sole member’s name and SSN and request the transcripts when placing your order. SMLLC file their income taxes on the Schedule C of the individual 1040 return, they do not file income taxes under the businesses EIN.

When the IRS provides us “No Record of Return” transcripts, we recommend having the taxpayer call the IRS directly to see what the issue is with that specific return. The IRS will give additional information to the taxpayer and help them fix the issue.

Married Filing Jointly 1040 Return

Issue: Who should sign the form? The primary, the secondary, or both?

Solution:

Either the primary or the secondary filer can sign the form. The 8821 does NOT need a signature from both people; however, the person listed in Box 1 needs to be the person signing the form.

Tax Return Transcript doesn't match information on the return provided by the borrower

Issue: Possible fraudulent return provided by the borrower. Possible amendment or duplicate return filed.

Solution:

If the numbers on the return do not match the IRS verified transcript it could indicate that an amendment was filed. The IRS does not update the Tax Return Transcript after it is posted so amended information will not show on the Tax Return Transcript. Any amended return data will only appear on the Record of Account Transcript, which can be ordered through Tax Guard at the time of submitting the signed 8821.

This also could be an indication that the borrower is showing you a different return than what was submitted to the IRS. The information on the Tax Return Transcript is provided directly from the IRS system, so if the return does not match and there was no amendment, it is most likely an issue with the return that was provided by the borrower.

You can resubmit the 8821 and request Record of Account if you believe there may be amended return data on file, or recommend the client contact the IRS directly for additional guidance. Due to frequent concerns around tax fraud, IRS transcripts are the only way to verify tax return information with 100% certainty.

Information on the Tax Return Transcript is all \$0

Issue: Amended return or frozen tax record

Solution:

If the Tax Return Transcript is all 0's this is most commonly an indication that an amendment was filed. The Record of Account transcript is the only way to see amended data from the initial return. It is a hybrid of the account transcript and the Tax Return Transcript, and will show standardized return information in a section at the top. If any of those specific data points were amended, the amended information will appear in this section of the transcript.

The IRS is not 100% consistent transcribing amended information, but the Record of Account transcript is the only chance to potentially see the information on a transcript. If there is no amendment on file, it could be a security or privacy related issue that the taxpayer should contact the IRS directly about. There have been rare cases where the IRS freezes a tax record and zeroes out all the fields from the transcript as a result.

Calendar year end vs. Fiscal year end for Tax Guard Basic order

Issue: "No Record of Return Found" on Tax Guard Basic order when the return was filed on a fiscal year end

Solution:

If the transcripts for a Tax Guard Basic order come back "No Record of Return Found", verify that it was not a fiscal year end filing. Due to the limitations on the Tax Guard Basic report, we have no way to capture non-standard filing requirements on that order type through the IRS system. If it was a fiscal filer, submit a request to the Tax Guard Customer Success Team and we will put a special request through an expedited workflow to obtain the transcripts.

1120 vs. 1120S No Record of Return Found

Issue: 1120S returns showing “No Record of Return Found” on 1120 transcripts

Solution:

There are multiple types of 1120 returns that can be filed. The two most common, and the only two that you can receive transcripts for are the 1120 and the 1120S. The IRS does not apply the suffix to the type of 1120 that was filed until the return has been accepted and processed. When a “No Record of Return Found” transcript is pulled it will say it is for an 1120 return, regardless of if the return should be 1120 or 1120S.

This can cause confusion with lenders and borrowers who see a “No Record of Return Found” result for an 1120 return. You will notice the 8821 includes both 1120 and 1120-S, so you will receive whichever 1120 return applies in a given situation.

8821 Rejected

Issue: The 8821 was rejected by the IRS and needs to be updated before a new order can be placed.

Solution:

The 8821 rejection email includes both the reason for the rejection and some high level guidance on how to resolve the issue. Please refer to the [Common 8821 Rejections](#) document attached to this article explaining 8821 rejection reasons.

FAQs

How long is the 8821 valid?

Issue: When does the 8821 expire?

Solution:

The form expires 120 days from the date on the signature line. If it is getting close to expiration at the time of the order, we recommend getting a new 8821 signed with the current date to avoid possible rejection. We also suggest your client avoid making any hand-written edits to the form (like updating the date) as this will frequently raise suspicions at the IRS that lead to rejection.

Why is there a 10-year Time Frame on the 8821

Issue: Borrower hesitant to sign the 8821 with 10-year time frame when only 3-4 years of transcripts are pulled.

Solution:

The general IRS statute of limitations for enforced collection of tax debt is 10 years. Because of this, the 8821 automatically defaults to 10 years back to ensure any potential tax debt within that statute is reported upon along with important historical compliance data like return filing and payroll deposits (when applicable).

It can help to frame the Tax Guard report as a standard compliance check for due diligence purposes serving similar purpose as a credit check. It may also be helpful to note that any tax forms listed on the 8821 that do not apply to a specific taxpayer (business or individual) will automatically be voided from our data request from the IRS due to not being relevant/applicable.

What is the turn-around-time for the IRS to process a tax return?

Issue: Missing returns

Solution:

Currently the IRS is approximately 4-6 weeks out on processing an electronically filed return and 16+ weeks on a mailed in return. If the return was filed outside of the correct tax season (i.e., 2021 tax return filed after the due date) the turn-around-time for electronically filed and mailed in returns is a minimum of 16+ weeks. These numbers are rough estimates since the IRS works on their own time, and are meant to serve as averages. Keep in mind the success rate for electronically filed returns is much higher as mailed-in returns are frequently lost.

Can the 8821 be signed using eSignature (i.e. DocuSign)?

Issue: Electronically signed 8821

Solution:

Currently the divisions of the IRS we work with to deliver consistently and reliably on our SLA's do not accept any form of electronic signature. The form must be wet signed, and then it can be scanned and emailed back to the lender. If the borrower does not have a scanner, they can take a picture on their smart phone and email that back. In the event the client decides to submit a photographed copy of the 8821, the format required for Tax Guard to process the 8821 must be a PDF.

Can we order just 1 year of transcripts?

Issue: Reordering a missing return or ordering the current year of transcripts after the return is filed

Solution:

Tax Guard has a very manual/labor intensive internal workflow that does not change whether we are asking for 1 or 4 years of transcripts from the IRS. Because of this, there would be no reduction in price if we provided 1 year vs. 4 years and therefore we provide every available Tax Return Transcript with each order.

What should be the signer's title if they are executor of the estate?

Issue: The owner of the business is deceased

Solution:

The title on the 8821 needs to be manually updated to 'Executor of the Estate of the deceased'. We have found this to be the most successful way to get transcripts in this scenario.

Challenging the results of the Tax Guard order

Issue: The lender or borrower believes there is an error in the information the IRS provided in the Tax Guard order

Solution:

Because we are working with IRS agents directly, it can happen on rare occasion that they give us inaccurate information. If the lender or borrower is certain that the results shown on the Tax Guard order are incorrect, you can request Tax Guard to "Challenge" the information. When this happens we will go back to the IRS and ask clarifying questions regarding the claimed discrepancy as well as request copies of Account Transcripts to verify the findings.

If the original results were incorrect, Tax Guard will update the results in the portal with the corrected information and there will be no additional charge. If the original results are confirmed to be correct on the Challenge, the lender will be charged for the second order. To initiate the Challenge, reach out to a member of the Tax Guard Customer Success Team and one of our team members can walk you through the process.

How do I add another user to our account?

Issue: Need to add another user

Solution:

To add an additional user, please contact your account manager who will either send an invitation to the new user, or give you administrator privileges so you can add additional users going forward.

How do I run a Tax Guard report on a Sole Proprietorship?

Issue: Need to add another user

Solution:

If your applicant is a Sole Proprietor conducting business without an EIN, create the client as an Individual using his/her Full Name and SSN. Some Sole Proprietorships register for an EIN with the IRS, in which case you can select 'Sole Proprietorship' from the client creation menu.

How do I cancel my order?

Issue: Order needs to be canceled

Solution:

Please contact your account manager immediately. If we have already contacted the IRS for the report, we will not be able to cancel the order.