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Description of document: Internal Revenue Service (IRS) Service Level Agreements (SLA) in the Tax-Exempt Government Entities (TEGE) division, 2002-2016*

Requested date: 14-February-2017

Released date: 18-March-2017

Posted date: 18-September-2017

* Some MOU references are undated

Source of document: IRS FOIA Request
HQ FOIA
Stop 211
PO Box 621506
Atlanta, GA 30362-3006
Fax: 877-807-9215

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PRIVACY, GOVERNMENTAL
LIAISON AND DISCLOSURE

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

March 19, 2017

I am responding to your Freedom of Information Act (FOIA) request dated February 14, 2017 that we received on February 23, 2017.

You asked for a listing of all the Service Level Agreements (SLA) and subsequently revised your request to all the SLAs in the Tax-Exempt Government Entities (TEGE) division that could be located within a two hour search window. I am enclosing a copy of the requested records consisting of 11 pages. This is a full grant of your request.

There is an additional SLA that is posted to the Internal Revenue Service reading room. The agreement is between the Taxpayer Advocate Service and TEGE. It is located at https://www.irs.gov/pub/tas/sla_tas_tege_2009-05-29.pdfhttps://www.irs.gov/pub/tas/sla_tas_tege_2009-05-29.pdf.

You may contact me, FOIA Public Liaison, P. Sharisse Tompkins, to discuss your request at:

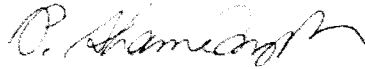
PO Box 2986
MS 7000 AUSC
Austin, TX 78768
737-800-5460

The FOIA Public Liaison responds to FOIA and Privacy Act requests for copies of documents maintained by the IRS. There is no provision in either Act to resolve tax, collection, or processing issues and our staff is not trained to answer questions regarding those issues. If you need assistance with tax related issues you may call the IRS toll free number at 1-800-829-1040.

Please note fees will be combined for future aggregated requests of related documents.

If you have any questions, please call Tax Law Specialist A. Amparano, ID # 0220447, at (214) 413-5489, or write to: Internal Revenue Service, Disclosure Office 9, P.O. Box 621506, Stop 211, Atlanta, GA 30362-3006. Please refer to case number # F17055-0050.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Sharisse Tompkins". The signature is fluid and cursive, with a prominent initial "P" and a long, sweeping tail.

P. Sharisse Tompkins
Disclosure Manager
Disclosure Office 9

Enclosures
Responsive Documents

3. Agreements or MOUs with other organizations or agencies generated by ITG; (we already have copies of four MOUs posted on irs.gov); List the MOUs and provide IRM cites where the links to the MOUs can be found.

4.86.1.8

(02-19-2015)

Coordinating with Other Operating Divisions and Business Units

- (4) ITG coordinates all aspects of tax administration as it impacts tribes. A Memorandum of Understanding (MOU) exists between ITG and the following:
- Small Business/Self-Employed (SB/SE) Office of Excise Taxes (OET)
 - Small Business/Self-Employed (SB/SE) Bank Secrecy Act (BSA) Program
 - Small Business/Self-Employed (SB/SE) Abusive Transactions Promoter Investigation Procedures
- (5) The MOU with SB/SE OET states that ITG will assume responsibility for all wagering tax issues related to Indian tribal governments. The SB/SE office of Excise Taxes has jurisdiction over all other excise tax issues. ITG will serve as the "single point of contact" in the IRS to authorize OET to make contact with Indian tribal governments. The OET will coordinate with ITG prior to initiating any examination or outreach activity with an Indian tribal government. The MOU between ITG and Excise Tax can be found at: www.irs.gov/Government-Entities/Indian-Tribal-Governments/ITG-Memorandum-of-Understanding/.
- (6) The MOU with SB/SE BSA addresses the shared responsibilities for Bank Secrecy Act (BSA) and IRC 6050I notification and education activities relating to entities that are owned by Indian tribal governments. The MOU between ITG and SB/SE BSA can be found at: www.irs.gov/Government-Entities/Indian-Tribal-Governments/ITG-Memorandum-of-Understanding/.
- (7) The MOU with SB/SE that addresses shared responsibilities to stop promotion of abusive tax schemes and reinforces the importance of working together to use promoter investigations as an effective tool to address the promotion of abusive transactions can be found at: www.irs.gov/Government-Entities/Indian-Tribal-Governments/ITG-Memorandum-of-Understanding/.

SEE: Aletha's comment regarding pending revision for ITG BSA MOU.

4.86.1.10

(02-19-2015)

Other Federal Agencies Impacting Indian Tribal Governments

- (2) The National Indian Gaming Commission (NIGC) was established within the Department of the Interior to implement the provisions of the Indian Gaming Regulatory Act (IGRA). The Commission has field representatives who maintain contact with those tribes that have gaming operations. These representatives are a useful source of information. The website address is www.nigc.gov/. The MOU between ITG and NIGC can be found at: www.irs.gov/Government-Entities/Indian-Tribal-Governments/ITG-Memorandum-of-Understanding/.

MEMORANDUM OF UNDERSTANDING BETWEEN THE MUNICIPAL SECURITIES RULEMAKING BOARD AND THE INTERNAL REVENUE SERVICE

WHEREAS, the Municipal Securities Rulemaking Board (“MSRB”) is a self-regulatory organization established by Congress under Section 15B of the Securities Exchange Act of 1934 (the “Act”) to protect investors, municipal entities, obligated persons, and the public interest by promulgating rules pertaining to the municipal securities activities of brokers, dealers, and municipal securities dealers (collectively, “dealers”), and the municipal advisory activities of municipal advisors:

WHEREAS, the Internal Revenue Service (“IRS”) is a bureau of the U.S. Department of the Treasury authorized to administer and enforce the internal revenue laws of the United States of America;

WHEREAS, the MSRB and IRS desire to enter into a Memorandum of Understanding to memorialize their coordinated activities in furtherance of their respective statutory obligations:

NOW, THEREFORE, the MSRB and IRS hereby agree as follows:

1. General Obligations of the Parties: The MSRB is charged by statute with, among other responsibilities, drafting rules pertaining to the municipal securities activities of dealers and municipal advisory activities of municipal advisors. The IRS Tax Exempt Bonds (“TEB”) function of the Tax Exempt and Government Entities division is responsible for administering and enforcing the federal internal revenue laws applicable to tax-exempt and tax credit bonds (including direct pay bonds). The MSRB also administers a number of market information transparency programs, and develops information products based on these programs, which may be used by TEB to conduct administration and enforcement programs pertaining to tax-exempt and tax credit bonds.
2. Access to MSRB Information Products: The MSRB wishes to assist the IRS in carrying out its administration and enforcement activities regarding tax-exempt and tax credit bonds. In order to do so, the MSRB will make available to TEB its information products, as requested, at no charge. Additionally, TEB personnel will be provided with access to RegulatorWeb (“RegWeb”), a proprietary intranet website developed by the MSRB for use by regulatory authorities, including any successor intranet website or platform. RegWeb contains standardized and customized reports derived from MSRB information products and other non-public data. The MSRB will also provide training to TEB personnel on the use of RegWeb and the interpretation of RegWeb reports.
3. Use of MSRB Information Products: TEB intends to utilize RegWeb and the MSRB information products available through the website to review municipal securities transaction detail for purposes of administering and enforcing compliance with the federal internal revenue laws applicable to the municipal bonds market. This includes researching municipal securities trade data as part of a compliance effort to monitor

practices related to the establishment of issue price for federal tax purposes and other matters. Information contained in RegWeb reports may provide evidence for further inquiry with respect to tax-exempt and tax credit bond issues, including administration and enforcement activities. TEB acknowledges that the information included in the MSRB information products and RegWeb is collected pursuant to the federal securities laws and that the information that the MSRB collects from regulated entities and other parties that is made available through the MSRB information products and RegWeb is produced by such submitters pursuant to parameters designed to promote the regulatory objectives of such federal securities laws. Thus, in using such information in connection with any administration and enforcement activities, TEB acknowledges the importance of understanding the extent to which the information may be consistent with or diverge from the requirements of the federal internal revenue laws. TEB agrees to undertake appropriate training as provided in Section 2 of this MOU prior to accessing RegWeb and other MSRB information products and the MSRB agrees to provide appropriate training and support to TEB personnel in connection with understanding the nature of the information provided under this MOU. TEB agrees to share with the MSRB any observations or conclusions derived from its use of the information provided under this MOU as may be of assistance to the MSRB in connection with its regulatory duties, to the extent permitted by law, including the limitations under section 6103 of the Internal Revenue Code.

TEB agrees that any information from publicly-available MSRB information products provided by the MSRB to TEB at no charge for which the MSRB normally charges subscription fees may not be distributed or otherwise re-disseminated to any other party notwithstanding the generally applicable terms of use for such MSRB information products, provided that TEB may distribute or otherwise re-disseminate limited quantities of aggregated data in support of its administration and enforcement activities. Nothing in this paragraph shall be interpreted to prohibit TEB from using the data and information obtained from MSRB under this MOU in connection with administering and enforcing compliance with the federal internal revenue laws.

4. Confidentiality and Privileges: The parties agree to protect the confidentiality of information (including derivative information) exchanged pursuant to this MOU, and to establish and maintain appropriate safeguards to accomplish this purpose. The parties also intend that the terms of this MOU will not constitute a waiver of confidentiality or any privilege applicable to such information, and the parties expressly reserve all evidentiary privileges and immunities applicable to the information shared under this MOU.

Nothing in this paragraph shall be interpreted to prohibit TEB using the data and disclosing information obtained from MSRB under this MOU in connection with, and as necessary in, the administration and enforcement of federal internal revenue laws, including statistical studies with respect to the operations of such laws.

If the IRS or MSRB is compelled by law, either pursuant to the Freedom of Information Act, or otherwise, to honor any request by any other person or governmental entity, for information obtained from the other party under the terms of

this MOU, the requested party shall promptly contact the other party in writing of such request, in a sufficient time for the other party to raise objection to such production. Such contact by the requesting party will be made to the extent authorized by law, including the limitations under section 6103 of the Internal Revenue Code.

5. Responsible Parties and Points of Contact: The responsible parties with authority to approve, ratify, and make decisions with respect to this MOU are:

- MSRB: Lawrence P. Sandor, Senior Associate General Counsel ;
- IRS: Director, Tax Exempt Bonds

All notifications pursuant to this MOU should be sent to the following persons:

- MSRB: Ronald Smith, Corporate Secretary ;
- IRS: Director, Tax Exempt Bonds

Should a disagreement arise as to the interpretation of the provisions of this agreement that cannot be resolved between the points of contact at the IRS and the MSRB, the area(s) of disagreement will be reduced to writing by each organization and presented to the MSRB General Counsel, Market Regulation and IRS Director, Government Entities for resolution. If settlement cannot be reached at this level, the disagreement will be raised to the MSRB Chief Legal Officer and IRS Commissioner, Tax Exempt and Government Entities Division for final resolution

Each party to the MOU is responsible for its own costs.

Each party to this MOU shall be liable for the acts and omissions of its own employees.

6. Term: This MOU is effective upon execution and will remain in effect until amended, replaced, or terminated by the signed mutual agreement of the MSRB and IRS. This MOU may be amended in writing from time to time by the signed mutual consent of the parties hereto.

7. Signatures:

For MSRB: Lynnette Kelly Hatchkiss

For IRS: Joseph H. Drant

Dated: October 19, 2011

Federal, State and Local Governments CPM Operational Review – February 2016

Topic: Agreements and Memoranda of Understanding
Champion / Lead: FSLG Director

Currently, FSLG has only one Memorandum of Agreement. The memo discusses how FSLG and the Social Security Administration work together to address Section 218 compliance with our joint customers and was issued in April, 2002. See attachment.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
SOCIAL SECURITY ADMINISTRATION
AND THE
INTERNAL REVENUE SERVICE
FOR
STATE AND LOCAL GOVERNMENT COMPLIANCE ISSUES**

**Section 1.
Purpose**

This Memorandum of Understanding (MOU) specifies the responsibilities of the Social Security Administration (SSA) and the Internal Revenue Service (IRS) with respect to reporting and compliance requirements for state and local government employers under the Social Security Act (Act) and the Internal Revenue Code (Code). This includes specifying the responsibilities of both agencies for performing compliance reviews, educating public employers, and improving the reporting process between SSA and IRS to detect compliance problems.

Additionally, this MOU addresses activities intended to improve the wage reporting of state and local government entities. These specifically include the responsibilities of the IRS and SSA regarding meeting the educational needs of public employers and improving the operational and informational exchanges between the agencies.

**Section 2.
Background**

Public Law 99-509, enacted October 21, 1986, revised Section 218 of the Act and Sections 3121 and 3126 of the Code to transfer from the states and SSA to the IRS responsibility for the collection of Social Security contributions from state and local government employers under Section 218 Agreements. Prior to 1987, the State Social Security Administrators were responsible for reporting covered wages to SSA, collecting the Social Security and Medicare contributions from public employers, and depositing those amounts to the Social Security Trust Funds. Beginning January 1, 1987, state and local government employers became responsible for the reporting and payment of Social Security and Medicare taxes directly to the IRS.

A "Section 218 Agreement" is a written agreement between a state and SSA to provide Social Security and/or Medicare coverage for employees of a state or local government. Beginning January 1, 1951, Section 218 Agreement coverage was available for the services of employees in positions not covered under a retirement system. These

non-retirement system positions are referred to as absolute coverage groups. The Social Security Amendments of 1954, effective January 1, 1955, allowed states to voluntarily extend Section 218 Agreement coverage to the services of employees in positions covered under a retirement system. These groups are referred to as retirement system coverage groups. Since April 20, 1983, coverage under a Section 218 Agreement cannot be terminated unless the state or local government entity is legally dissolved.

In 1986, Public Law 99-272 mandated Medicare coverage for all state and local government employees hired, or rehired, after March 31, 1986. In 1990, Public Law 101-508 mandated Social Security coverage, effective July 2, 1991, for virtually all state and local government employees not covered by either a public retirement system or a Section 218 Agreement.

Section 3. Responsibilities

The SSA is responsible for the Social Security and Medicare coverage provisions under the Act. The IRS is responsible for the Social Security and Medicare taxation provisions under the Code.

With respect to state and local government taxation issues, under the authority of Chapter 21 of the Code, IRS is responsible for:

- Administering the Federal Insurance Contributions Act (FICA), including the mandatory Social Security and Medicare provisions concerning services performed by state and local government employees;
 - Assuring that there is proper reporting and collection of Social Security and Medicare taxes by state and local governments under the FICA through examination and other compliance programs; and
- Interpreting the FICA provisions applicable to state and local governments through published guidance, e.g., Regulations, revenue rulings, and revenue procedures, and through non-precedential advice to taxpayers and IRS personnel, e.g., private letter rulings and field directives.

With respect to state and local government coverage issues, under the authority of Sections 218 and 210 of the Act, SSA is responsible for:

- Making rules and Regulations and establishing procedures, not inconsistent with Title II of the Act (42 U.S.C. 401 et seq.), which are necessary or appropriate to carry out certain provisions of the Act;

- Adopting reasonable and proper rules and Regulations to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits under the Act;

Maintaining and executing Section 218 Agreements and Modifications to such agreements;

Determining the coverage status of state and local government employees covered under a state's Section 218 Agreement and modifications thereof, and the mandatory coverage provisions under Section 210 of the Act, for Social Security and Medicare benefit purposes; and

- Assuring the accurate crediting of earnings to all workers; maintaining accurate earnings records; verifying the earnings amounts provided; and correcting erroneously posted amounts, as required by law.

Section 4. Educating State and Local Government Employers

IRS will advise and educate state and local government employers about Social Security and Medicare taxation provisions under the FICA, including those provisions relating to reporting and deposit processes for Social Security and Medicare taxes.

SSA will advise and educate State Social Security Administrators and state and local government employers about the Social Security and Medicare coverage provisions under Sections 210 and 218 of the Act and the Annual Wage Reporting (AWR) process.

IRS and SSA will promote better state and local government reporting practices by conducting periodic joint educational workshops for state and local government employers.

SSA and IRS will review IRS Publication 963, Federal-State Reference Guide for State and Local Government Employers, a multi-agency document published by the IRS, to determine whether a revision of the publication is necessary. New editions of Publication 963, or supplementary publications (additions/deletions), will be created jointly by the IRS and SSA.

Section 5. Improving the Coordination Process Between IRS and SSA

IRS and SSA agree to implement a standing Section 218 Committee beginning in Fiscal Year 2002 to discuss policy, procedural, and compliance issues relating to Social Security and Medicare coverage and taxation of state and local government employees.

The Section 218 Committee will meet semiannually, or more frequently, if appropriate, to evaluate findings and develop proposals and alternatives for executive decision-making.

The Section 218 Committee will evaluate information exchange methods for data concerning state and local government employers and will periodically provide recommendations for improving the coordination process. As an essential part of this process, the Committee will study the feasibility of perfecting the Section 218 Agreement/Modification information retained in IRS and SSA databases. The Section 218 Committee will consider sharing perfected Section 218 Agreement/Modification data with State Social Security Administrators.

Section 6.

Disclosure of Federal Returns and Federal Return Information

SSA is bound by the provisions of Section 1106 of the Act and Section 6103 of the Code. IRS is bound by the provisions of Section 6103 of the Code.

Section 6103(l)(1)(A) of the Code authorizes the IRS, upon written request, to disclose returns and return information with respect to taxes imposed by chapters 2, 21, and 24 to SSA for purposes of SSA's administration of the Act.

The term "Federal Return" means a "return" as defined in Section 6103(b)(1) of the Code. The term "Federal Return Information" means "return information" as defined in Section 6103(b)(2) of the Code.

Pursuant to the Act, the SSA is charged with responsibility for administration of the Act. Federal Returns and Federal Return Information (whether originals, paper copies, photocopies, microfilm, magnetic media, or any other form) received from the IRS pursuant to Section 6103(l)(1)(A) will be used only to the extent necessary for the purpose of SSA's administration of the Act. Such information shall not be used for the SSA's administration of any other statute.

The term "SSA Representative" means an officer or employee of the SSA designated in writing by the SSA to the Commissioner, IRS, as an individual who is authorized to inspect or receive Federal Returns and/or Federal Return Information with respect to chapters 2, 21, and 24 taxes on behalf of the SSA as provided by Section 6103(l)(1)(A) of the Code, but only so long as the duties and employment of such officer or employee require access to such Federal Returns and/or Federal Return Information for purposes of administration by the SSA of the Act.

Upon the occurrence of any change in employment, duties, or other relevant matters affecting an SSA Representative's authority to access Federal Returns and Federal

Return Information, or status as an SSA Representative, the SSA shall promptly advise in writing the Commissioner or his or her designated representative of such change.

The term "disclosure" means the making known to any person in any manner Federal Return or Federal Return Information. An SSA Representative to whom a Federal Return or Federal Return Information has been disclosed may only disclose such return or return information to another officer or employee of the SSA only to the extent necessary for the purpose of SSA's administration of the Act. Disclosures to contractors and administrators are not allowed.

In accordance with Section 6103 of the Code, this agreement shall constitute a request for the Commissioner, IRS to disclose returns and return information with respect to taxes imposed by Chapters 2, 21, and 24 of the Code to the SSA for purposes of its administration of the Act. Specifically, when the IRS becomes aware of a state or local government employer whose noncompliance with the reporting requirements has resulted in a failure to correctly report employee wages for Social Security purposes, the IRS will provide SSA with the information identifying such entities so, if needed, SSA will be able to contact the employer and obtain the information required to correct employees' earnings records.

Section 7. Disclosure Safeguards

As an express condition for the inspection and disclosure of Federal Returns and Federal Return Information, the SSA agrees to comply with the safeguards and requirements prescribed by Section 6103(p)(4) of the Code and with such provisions governing implementation of such safeguards and requirements as may be established by Regulations and written procedures; provided by existing Regulations; or contained in IRS Publication 1075, Tax Information Security Guidelines for Federal, State, and Local Agencies.

The SSA will make its officers and employees aware that under Section 6103(a) of the Code, they are required to maintain the confidentiality of Federal Returns and Federal Return Information and that under Section 6103(a)(1), as Federal Officers or Employees, they are prohibited from disclosing Federal Returns or Federal Return Information except as specifically authorized under the Code. The SSA will also make its officers and employees aware that the Code's confidentiality restrictions are enforced by criminal penalties for individuals convicted of willful unauthorized disclosure of Federal Returns or Federal Return Information (see Section 7213 of the Code), criminal penalties for individuals convicted of unauthorized access/inspection of Federal Returns or Federal Return Information (see Section 7213A; and 18 U.S.C. 1030(a)(2)(B)), as well as a civil damages remedy against the United States available to persons whose Federal Returns or Federal Return Information has been unlawfully accessed or disclosed by any Federal officer or employee (see Section 7431 of the Code).

**Section 8.
Notices and Contacts**

SSA will provide any information required under the MOU to the Director, Government Entities, or to such other person(s) as that Director or the Commissioner, IRS or his designee shall designate. The IRS will provide any information required under this MOU, in accordance with Section 6103 of the Code, to the Deputy Commissioner for Disability and Income Security Programs of the SSA, or to such other SSA Representative(s) as the Deputy Commissioner shall designate.

**Section 9.
Funding**

Each agency will be responsible for funding the costs it incurs in performing its responsibilities under this MOU.


**Section 10.
Effective Date, Modifications and Termination**

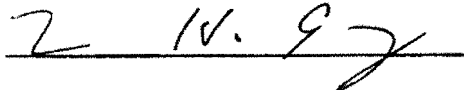
This MOU will become effective upon signature by the authorized representatives for IRS and SSA. Any modification or amendment of this MOU must be agreed to by both parties in writing and will be effective upon the date of execution or such other date as may be provided in the modification or amendment. This MOU can be terminated by either IRS or SSA upon written notification of the other party at least 90 days in advance of the termination date.

**Section 11.
Signatures**

Internal Revenue Service
Commissioner,
Tax Exempt and Government Entities

Social Security Administration
Deputy Commissioner for
Disability and Income Security
Programs


Date: 2-8-02


Date: APR - 4 2002