

**DISCLOSURE REPORT FOR PUBLIC INSPECTION  
PURSUANT TO INTERNAL REVENUE  
CODE SECTION 6103(p)(3)(C) FOR CALENDAR YEAR 2018**

Prepared by the  
INTERNAL REVENUE SERVICE

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## INTRODUCTION

Section 6103(p)(3)(C) of the Internal Revenue Code provides that the Secretary of the Treasury shall, within 90 days after the close of each calendar year, furnish to the Joint Committee on Taxation for disclosure to the public a report which provides, with respect to each Federal agency and certain other entities, the number of: (1) requests for disclosure of returns and return information (as such terms are defined in section 6103(b)); (2) instances in which returns and return information were disclosed pursuant to such requests or otherwise; and (3) taxpayers whose returns, or return information with respect to whom, were disclosed pursuant to such requests.<sup>1</sup> In addition, the report must describe the general purposes for which such requests were made.

Pursuant to section 6103(p)(3)(C), the Internal Revenue Service (“IRS”) prepared a disclosure report for public inspection covering calendar year 2018. This document sets forth the report of the Internal Revenue Service.<sup>2</sup>

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<sup>1</sup> Unless otherwise stated, all section references are to the Internal Revenue Code of 1986, as amended.

<sup>2</sup> This document may be cited as follows: Joint Committee on Taxation, *Disclosure Report for Public Inspection Pursuant to Internal Revenue Code Section 6103(p)(3)(C) for Calendar Year 2018* (JCX-21-19), May 14, 2019. This document can be found on the Joint Committee on Taxation website at [www.jct.gov](http://www.jct.gov).

**Disclosure Report for Public Inspection  
Pursuant to 26 USC Section 6103(p)(3)(C)**

**Internal Revenue Service**

**Calendar Year 2018**

**Calendar Year 2018 Volume of Disclosures of Tax Returns and/or Return Information  
Required to Be Accounted for Pursuant to 26 USC Section 6103(p)(3)(A)**

<b>Disclosure To/For</b>	<b>IRC Section 6103 Subsection</b>	<b>Bulk Master File Data (See Note 1)</b>	<b>Other Disclosures (See Note 2)</b>	<b>Total Number of Disclosures (See Note 3)</b>
Tax Checks	(c)		10,457	10,457
State Tax Agencies	(d)	9,538,827,126	278,209,044	9,817,036,170
Joint Committee on Taxation	(f)	71,625,560	0	71,625,560
GAO, as Agent to Congressional Committees	(f)	1,367,625,416	0	1,367,625,416
President and Head of Agencies	(g)	0	0	0
Department of Justice (See Note 6)	(h)(3)(B)	0	61	61
US Attorneys (See Note 4)	(i)(1)	0	17,330	17,330
US Attorneys	(i)(2)	0	343	343
FBI	(i)(3)(A)	0	0	0
Other	(i)(3)(A)	0	0	0
FBI	(i)(3)(B)	0	19	19
Other	(i)(3)(C)	0	0	0
Other	(i)(7)(A)	0	0	0
Other	(i)(7)(B)	0	0	0
US Attorneys	(i)(7)(C)	0	0	0
Government Accountability Office	(i)(8)	0	1,588	1,588
Bureau of Census	(j)(1)(A)	1,523,907,678	0	1,523,907,678
Bureau of Economic Analysis	(j)(1)(B)	0	410	410
Treasury Office of Economic Policy	(j)(3)	0	5,032,485	5,032,485
Department of Agriculture	(j)(5)	2,213,700	0	2,213,700
Congressional Budget Office	(j)(6)	0	0	0
Foreign Countries Tax Treaty Authority (See Note 5)	(k)(4)	2,941,298	2,780	2,944,078
Bureau of Prisons (Federal and State)	(k)(10)	0	0	0
Department of Labor Pension Benefit Guaranty Corporation	(l)(2)	0	2	2
Federal Agencies	(l)(3)	0	0	0
Department of Treasury Employees	(l)(4)(A)	0	0	0
Child Support Enforcement Agencies	(l)(6)	6,589,209	0	6,589,209
Medicare Premium Subsidy Adjustment	(l)(20)	10,196,128	0	10,196,128
Affordable Care Act	(l)(21)	65,549,660	0	65,549,660
States - IRC Section 6104(c)		0	19,295	19,295
<b>TOTALS</b>		<b>12,589,476,775</b>	<b>283,293,814</b>	<b>12,872,769,589</b>

**Reference Notes:**

- (1) Bulk Master File Data: Disclosures are generated when an agency receives data from an IRS database extract of taxpayer information. Each extract contains different data elements of a taxpayer's account information based on the nature and purpose of the specific extract. A block of data elements for one taxpayer for one year or period constitutes one record and is counted as one disclosure. In order to account for any disclosure, the taxpayer's identity information (taxpayer's name, identification number and/or address) is included in every extract record. Other data specific to that extract is included in the record depending on the extract. Each record, regardless of amount of data elements constitutes one disclosure. Examples of varying data elements within a record include, for example: income; specific line items (or unique combinations of line items) from a tax return; account transactions (payments, assessments, refunds, adjustments); math and audit adjustments; filing dates and other filing activities such as extensions, filing status and exemptions. Each tax year or period disclosed for each record is counted as one disclosure.
- (2) Other Disclosures: Disclosures that are not bulk/extract disclosures also vary depending on what is included in the record. Disclosures are made when the IRS releases transcripts of accounts, permits inspection of or furnishes photocopies of records, makes oral disclosures, and any disclosure by means of correspondence without furnishing a copy of the record. Also included are disclosures from locally automated files. Examples include copies of examination or collection administrative files. When some or all of the contents of an administrative file are disclosed, the IRS counts the number of disclosures based on the number of taxpayers and tax years or periods contained within that file.
- (3) Disclosure Counts: The number of disclosures of tax information depends on the type of record disclosed and what constitutes a record subject to disclosure accounting. Generally, when the IRS discloses some part of one taxpayer's record for one tax year or period, the IRS counts that as one disclosure. For example, if the IRS discloses a return transcript to a State tax agency, the IRS counts one disclosure for every tax year each time a transcript is disclosed. If the agency receives a transcript for two tax years, the IRS counts that as two disclosures. If the agency receives three different transcripts for the same taxpayer and tax year, the IRS counts three disclosures since each transcript is a separate record.

Internal Revenue Service  
Disclosure Report (cont'd)

- (4) United States Attorneys: Disclosures pursuant to an *Ex Parte* Court Order under IRC Section 6103(i)(1) are generally made to the Department of Justice, U.S. Attorney's Office (USAO). In prior years, the majority of disclosures were to the USAO. When directed by the *Ex Parte* Order and in coordination with the USAO instructions, the IRS disclosed in a small number of cases, return information directly to the named law enforcement employees of the Drug Enforcement Agency (DEA), Federal Bureau of Investigation (FBI), and other agencies (Other). The small numbers of disclosures directly to those agencies are still coordinated with the USAO. Employees of these law enforcement agencies conduct the non-tax criminal investigations, assist the USAO in the *Ex Parte* application process and use the return information obtained to further those investigations. To simplify the report, the IRS combined all *Ex Parte* disclosures into one line item.
- (5) Foreign Tax Treaty Disclosures:  
The total number of disclosures are from both Bulk Master File Data and Other Sources:
- 2,941,298 – Disclosures from Bulk Master File Data; relating to automatic exchanges of information by the United States to a competent authority of a foreign government with which the United States has an income tax convention or other bilateral agreement relating to exchange of information with the United States. As of 2018, these disclosures predominantly relate to two categories of information reported to the IRS. First, the information reported to the IRS annually by withholding agents on Form 1042-S (Foreign Person's U.S. Source of Income Subject to Withholding). Second annual country-by-country (CBC) information required to be reported to the U.S. persons that are the ultimate parent entity of a U.S. multinational enterprise (MNE) group with annual revenue for the preceding reporting period of \$850,000,000 or more on Form 8975 (Country-by-Country Report) and its Schedule As (Tax Jurisdiction and Constituent Entity Information).
    - 1,948,291: Form 1042-S Data disclosures relate to information with respect to reportable accounts maintained by residents of foreign jurisdictions in reporting U.S. financial institutions (or U.S. branches of foreign financial institutions) and are made to the competent authority of a foreign government that has concluded with the United States a Model 1A Intergovernmental Agreement (IGA) implementing the Foreign Account Tax Compliance Act (FATCA) and that has been determined by Treasury and the IRS to be an appropriate jurisdiction with which to have an automatic exchange relationship. This information is provided reciprocally to certain foreign jurisdiction tax administrations in accordance with Article 2(2)(b) of the IGA.

Internal Revenue Service  
Disclosure Report (cont'd)

- 993,007: Form 8975 and its Schedule As are required to be filed by certain U.S. persons that are the ultimate parent entity of a U.S. MNE group that meets the CBC revenue threshold. The reporting will capture certain information with respect to constituent entities of the MNE group on a country-by-country basis. Related disclosures are made to the competent authority of a foreign government that has concluded a bilateral CBC Competent Authority Arrangement (CAA) with the United States. The U.S. Competent Authority negotiates bilateral CAAs with jurisdictions that have committed to country-by-country reporting, provided that: the jurisdiction has a legal instrument with the United States that allows for the automatic exchange of information, and the United States has determined that the jurisdiction has in place the appropriate safeguards with respect to confidentiality and use of information exchanged as well as the infrastructure for effective exchange information. In addition, U.S. MNE group's information is only exchanged with those countries in which the U.S. MNE group has a constituent entity.
- 2,780 – Disclosures from Other Sources: consisting of taxpayer-specific returns or return information made to a competent authority of a foreign government with which the United States has an income tax convention or other bilateral agreement relating to the exchange of tax information with the United States.

(6) Department of Justice:

- IRC section 6103(h)(2) provides the standards that must be met for authorized disclosures to officers and employees of the Department of Justice (including United States attorneys) personally and directly engaged in, and solely for their use in, and proceeding before a Federal grand jury or preparation for any proceeding (or investigation which may result in such a proceeding) before a Federal grand jury or any Federal or State court. Those disclosures made to the Department of Justice under the provisions of IRC section 6103(h)(3)(B), requiring a written request from the Attorney General, the Deputy Attorney General, or an Assistant Attorney General, are reported in accordance with IRC section 6103(p)(3).

**Explanation of Internal Revenue Code Section 6103**

**IRC Section 6103 Subsection**

**Purpose of Disclosure**

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| (c)       | Disclosure of returns and return information to the designee of the taxpayer.  |
| (d)       | Disclosure of returns and return information to State tax officials having responsibility for administering State tax law.   |
| (f)       | Disclosure of returns and return information to Committees of Congress or their agents (including Government Accountability Office (GAO) and the Joint Committee on Taxation (JCT)).   |
| (g)       | Disclosure of returns and return information of any taxpayer by request of the President, or for return information of taxpayers considered for appointment to the executive or judicial branches by the President or head of any Federal agency.  |
| (h)(3)(B) | Disclosure of returns and return information to the Department of Justice in a tax administrative matter for use in, or preparing for, any proceeding or investigation before a Federal Grand Jury, Federal or State court, pursuant to a written request by the Attorney General, Deputy or Assistant Attorney General. |
| (i)(1)    | Disclosure of returns and return information to Federal officers or employees upon the grant of an ex parte order by a Federal district court judge or magistrate for use in Federal non-tax criminal investigations.  |
| (i)(2)    | Disclosure of return information, other than taxpayer return information, to Federal officers or employees for use in Federal nontax criminal investigations, upon request by the head of the agency or Inspector General thereof (or designated officials of the Department of Justice).                                |
| (i)(3)(A) | Disclosure of return information, other than taxpayer return information, to apprise appropriate Federal officials of potential violations of Federal criminal law.  |

**Explanation of Internal Revenue Code Section 6103**

**IRC Section 6103 Subsection**

**Purpose of Disclosure**

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| (i)(3)(B) | Disclosure of return information in situations involving the imminent threat of death or physical injury to any individual. Disclosure is made to Federal or State law enforcement. Also includes disclosure to Federal law enforcement in situations involving flight from Federal prosecution.                          |
| (i)(3)(C) | Disclosure of return information, other than taxpayer return information, to appropriate Federal law enforcement agencies in situations that may be related to a terrorist incident, threat, or activity.   |
| (i)(7)(A) | Disclosure of return information, other than taxpayer return information, to officers and employees of any Federal law enforcement agency personally and directly engaged in the response to or investigation of any terrorist incident, threat, or activity.   |
| (i)(7)(B) | Disclosure of return information, other than taxpayer return information, to Federal agencies engaged in the collection or analysis of intelligence and counterintelligence information or investigation concerning any terrorist incident, threat, or activity upon receipt of a valid written request by the Secretary. |
| (i)(7)(C) | Disclosure of return or return information to a Federal law enforcement or Federal intelligence agency engaged in any investigation, response to, or analysis of information concerning a terrorist incident, threat, or activity upon grant of an ex parte court order by a Federal district court judge or magistrate.  |
| (i)(8)    | Return and return information is open to inspection by the Government Accountability Office for purposes of auditing, among others, the Internal Revenue Service.   |
| (j)(1)(A) | Disclosure of returns, or return information reflected thereon, to the Bureau of Census in activities allowed by law.   |

**Explanation of Internal Revenue Code Section 6103**

**IRC Section 6103 Subsection**

**Purpose of Disclosure**

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| (j)(1)(B) | Disclosure of return information reflected on returns of corporations to the Department of Commerce for statistical use by the Bureau of Economic Analysis in activities allowed by law.  |
| (j)(3)    | Disclosure of Social Security data extracts of individual Social Security earnings and benefits to the Department of Treasury Office of Economic Policy for use in preparing economic or financial forecasts, projections, analyses, and statistical studies. |
| (j)(5)    | Disclosure of returns, or return information reflected thereon, to the Department of Agriculture for structuring, preparing, and conducting the Census of Agriculture as allowed by law.  |
| (j)(6)    | Disclosure of return information to the Congressional Budget Office for long-term modeling of the Social Security and Medicare programs.  |
| (k)(4)    | Disclosure of returns or return information to the competent authority of a foreign government that has a tax convention or bilateral information exchange agreement with the United States.  |
| (k)(10)   | Disclosure of returns or return information to the Federal Bureau of Prisons or any State agency charged with administration of State prisons to the extent the IRS determines an incarcerated individual filed or facilitated in filing a false return.      |
| (l)(2)    | Disclosure of returns and return information to the Department of Labor and Pension Benefit Guaranty Corporation for administration of Titles I and IV of the Employee Retirement Income Security Act of 1974.  |
| (l)(3)    | Disclosure of tax delinquent account indicator to Federal agencies to determine the credit worthiness of a Federal loan applicant.  |

**Explanation of Internal Revenue Code Section 6103**

**IRC Section 6103 Subsection**

**Purpose of Disclosure**

(1)(4)(A)	Disclosure of returns and return information for use in personnel or claimant representative matters by employees of the Department of the Treasury or practitioners who are the subject of such matters, or their representatives.
(1)(6)	Disclosure of return information to Federal, State, and local child support enforcement agencies for use in establishing and collecting child support obligations from and locating individuals owing such obligations.
(1)(20)	Disclosure of return information to the Commissioner of Social Security for use in establishing the appropriate amount of any Medicare part B premium adjustment under section 1839 of the Social Security Act.
(1)(21)	Disclosure of return information to the Secretary of Health and Human Services for use in determining any premium tax credit, cost-sharing reduction, eligibility for participation in a State's Medicaid program, a State's children's health insurance, or a basic health program covered by the Patient Protection and Affordable Care Act.
IRC Section 6104(c)	Disclosure of certain information pertaining to charitable organizations to appropriate State officers.