

# Rewards for Information Provided by Individuals to the Internal Revenue Service

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Section 7623 of the Internal Revenue Code and the regulations under it permit the Internal Revenue Service to pay a reward from amounts collected (other than interest) to anyone who provides information that leads to the detection and punishment of anyone violating the internal revenue laws.

## Who May File A Claim For Reward

Under the above section, you may file a claim for reward unless:

1. You were employed by the Department of the Treasury at the time you received or provided the information; or
2. You are a present or former federal employee who received the information in the course of your official duties.

An executor, administrator, or other legal representative may file a claim for reward on behalf of a decedent if the decedent was eligible to file such a claim before his or her death. The representative must attach to the claim evidence of authority to file it.

## Providing Information For A Reward

If you have information you believe would be valuable to the IRS, you may give it in person or in writing to a representative of the Criminal Investigation Division at a local IRS Office. You may also give the information over the phone to a representative located at an IRS service center. **The toll-free number is 1-800-829-0433.**

Useful information about persons who do not comply with the tax laws includes, but is not limited to, the following:

1. Names/Aliases
2. Addresses
3. Tax years of violations
4. Social Security Number and/or Employer Identification Number
5. Financial data (e.g., bank accounts, assets) and its location
6. Documentation to substantiate allegations (e.g., books, and records) and its location
7. Data of birth

## Filing A Claim For Reward

To file a claim for reward, you should:

1. Notify the office or person to whom you reported the information that you are claiming a reward.

2. File a claim for reward by completing Form 211, Application for Reward for Original Information, signing it with your true name, and mailing it to the Informants' Claims Examiner at the Internal Revenue Service Campus for your area indicated on the back of Form 211. If you gave the information in person, include in your claim the name and the title of the person to whom you reported the information and the date you reported it.

If you used an identity other than your true name when you originally reported the information, attach to the claim proof you are the person who gave the information. (The IRS does not disclose the identity of informants to unauthorized persons.)

## Amount and Payment of Reward

The Area Director will determine whether we will pay a reward and its amount. In making this decision, we will evaluate the information you gave in relation to the facts we developed by the resulting investigation. We will pay claims for reward in proportion to the value of the information you furnished voluntarily and on your own initiative with respect to taxes, fines, and penalties (but not interest) we collect. We will determine the amount of the reward as follows:

1. For specific and responsible information that caused the investigation or, in cases already under audit, materially assisted in the development of an issue or issues and resulted in the recovery, or was a direct factor in the recovery, the reward shall be 15 percent of the amounts the Service recovers, with the total reward not exceeding \$10 million.
2. For information that caused the investigation or, in cases already under audit, caused an investigation of an issue or issues, and was of value in the determination of tax liabilities although not specific, the reward shall be 10 percent of the amounts the Service recovers, with the total reward not exceeding \$10 million.
3. For general information that caused the investigation or investigation of an issue or issues, but had no direct relationship to the determination of tax liabilities, the reward shall be 1 percent of the amounts the Service recovers, with the total reward not exceeding \$10 million.
4. We will not pay a reward if the recovery was so small as to call for payment of less than \$100.00 under the above formulas.
5. The IRS does not preclude an informant who has received direct payment(s) for information, from filing a claim for reward for the same information. However, to prevent duplicate payments, we will reduce the amount of the reward payment by the amount of the direct payment(s).
6. Federal disclosure laws prohibit the IRS from providing information regarding specific actions taken by the Service with respect to the information given.
7. If we initiate an investigation as a result of the information given, it can take two or more years before there is a final disposition of the investigation.

