

IRS Data Retrieval Tool

The IRS Data Retrieval Tool (DRT) allows students and parents who are using fafsa.gov and who have already submitted their federal tax return to electronically retrieve their tax data from the IRS database. The ISIR will show that data was imported and if it was altered. All students and parents of dependent students who indicate on the application that they have already filed a federal tax return and who are otherwise eligible to use the DRT will be directed to do so.

Beginning with the 2018–2019 award year, the actual values of the imported data will not be viewable by students and parents (they will, however, still appear on the ISIR). This is to enhance security and privacy and to prevent the misuse of sensitive tax-related data. See the [electronic announcement of May 3, 2017](#). Because aid officers and other officials will be able to see the transferred data, and in keeping with the expectation that they protect the confidentiality of data associated with the Title IV programs, they must not disclose income and tax information from the FAFSA with the applicant, his spouse, or his parents unless they can authenticate their identity. For example, a student appearing in person and presenting an unexpired, valid, government-issued photo ID such as a driver's license would be an effective way to authenticate his identity. See the [September 5, 2017, announcement](#) for more information.

As a result of IRS data being masked, students and parents will not be able to change it on the FAFSA; the financial aid office will need to make corrections. Also, rollovers will be handled differently. If the DRT transfers a non-zero amount into the untaxed pension or IRA distribution field, the applicant will be asked if any of it is due to a rollover. If he answers yes, he will then enter the rollover amount, which the CPS will subtract when calculating the EFC. And because of the data masking, students and parents who file a joint tax return will not be able to transfer their income earned from work but will have to manually enter those amounts. The income earned from work of single persons will, however, continue to transfer. See the [August 7, 2017, announcement](#).

When the ISIR shows an IRS Request Flag value of 06 or 07, schools will need to contact the student or parent. A value of 06 indicates that after the DRT was used and the FAFSA was submitted, the student or parent changed an item on the FAFSA (e.g., the date of marriage) that would have made the person ineligible to use the DRT. The school must contact the student or parent to determine if all of the transferred data was correct or if it needs to be corrected. A value of 07, which is new for 2018–2019, is an indication from the IRS that the student or parent used the DRT but also has filed an amended tax return for the relevant year. Because the data that was transferred will be from the original return and not the amended one, the school must contact the student or parent and make any applicable corrections to FAFSA items, regardless of whether the application was selected for verification.

New for 2018–2019, ISIRs will display IRS Data Field flags that indicate if any individual item was transferred from the IRS and if it was subsequently changed. A flag value of 1 will indicate that the datum was transferred and was not changed. Such items do not need to be verified if the student is selected for verification. **However, when there is a Request Flag value of 06 or 07, the above guidance must first be followed.** The August 7 announcement has more information.

There will be two new comment codes for 2018–2019, also due to the IRS data masking, that schools must respond to: code 400 for parents and 401 for students. When an ISIR indicates either of these codes, the school must check the FAFSA to see if any of the following conditions exist and make necessary corrections:

1. The student or parent is a tax filer and the AGI transferred from the IRS is zero, but the total income earned from work is greater than zero.
2. The total of the taxable income offsets (see page 19) for the student or parents is greater than the AGI transferred from the IRS.
3. Any of the untaxed income items (see page 21) for the student or parent is greater than or equal to the AGI transferred from the IRS.

The school may need to contact the student or parent for an explanation of one of the above conditions and to determine if any of the associated FAFSA items need to be corrected. Also, comment codes 400 and 401 can be considered resolved if (V1 or V5) verification is completed for the same ISIR. Again, see the August 7 announcement for more.