

IRS Letter 6199 — Due Diligence Response Checklist

For Tax Offices & Preparers | Free Lead Magnet by Prestigious Tax Services

What Letter 6199 Means

Understanding the Letter

- IRS is reviewing your EIC due diligence compliance (Form 8867), not auditing your client yet
- You have 30 days to respond — extension rarely granted
- Penalty risk \$560 per failure if due diligence not documented
- Do NOT ignore — can lead to preparer penalties and e-file restrictions

Your Response Packet — Build This File

Form 8867 — Paid Preparer's Due Diligence Checklist

- Completed 8867 for EACH flagged EIC return (must match date filed)
- Keep copy of 8867 + notes showing how you verified each item

Form 886-H-EIC — Supporting Documents

- Checklist of docs you relied on for EIC

Your Workpapers / Notes

- Written notes: what questions you asked, client's answers, what documents you reviewed
- Date and initial your notes — IRS wants contemporaneous records

Client Source Documents (organize by client)

- Identity: Government photo ID, SSN card, DOB verification
- Relationship: Birth certificates, adoption papers, school/medical records proving relationship
- Residency (>50% of year): School records with address + dates, lease, medical bills, childcare statements
- Income: W-2s, 1099s, self-employment logs, Form 1095-A if applicable
- Keep copies, not originals — highlight relevant info

Cover Letter & Submission

- Brief cover letter: who you are, EIN, how many returns flagged, your process
- Copy of Letter 6199 + your organized packet tabbed by client (Client A, B, C)
- Include Form 886-R if IRS requested it
- Proof of due diligence policy + annual training log (CPE certificate for 8867)
- Send via certified mail / IRS portal — keep tracking

Fix Forward — Prevent Next Letter

- Create written due diligence policy: 6 mandatory questions for every EIC client
- Use intake script: Who is child, where did child live, how long, relationship, why filing, income proof
- Annual training: Document 8867 training for all preparers
- Checklist at desk: No return e-filed without 8867 + supporting docs scanned

Next Step: Done? DM '6199' to @prestigioustaxs for a free 15-min packet review. We offer Tax Office Due Diligence Review service.

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