

TRAINING AND EMPLOYMENT NOTICE	NO. 11-23
	DATE December 1, 2023

TO: STATE WORKFORCE AGENCIES

FROM: LENITA JACOBS-SIMMONS
Deputy Assistant Secretary



SUBJECT: Announcing the Internal Revenue Service's Transition to Using Implementing Agreements for Sharing Questionable Employment Tax Practices Information and Terminating the Use of Memorandum of Understanding for this Purpose

1. **Purpose.** To notify each State Workforce Agency (SWA) that the Internal Revenue Service (IRS) will use an Implementing Agreement (IA) and will no longer use a Questionable Employment Tax Practices (QETP) Memorandum of Understanding (MOU) to facilitate a SWA's receipt of QETP data. Consequently, the IRS will terminate all existing QETP MOUs.
2. **Action Requested.** The U.S. Department of Labor' (DOL) Employment and Training Administration (ETA) requests that SWAs provide information contained in this Training and Employment Notice (TEN) to appropriate program staff.
3. **Summary and Background.**
 - a. Summary – This notice informs SWAs that the IRS will no longer require SWAs to have a QETP MOU with the IRS to receive QETP data. The QETP MOU facilitated information sharing and other collaboration for tax administration purposes concerning questionable employment tax practices. However, the most effective way to continue sharing worker misclassification information, employment tax results, and other Federal Tax Information (FTI) is through the Implementing Agreement (IA). Therefore, the IRS will terminate all existing QETP MOUs via electronic notification and will use the IA to facilitate information sharing and other collaboration for tax administration purposes concerning questionable employment tax practices.
 - b. Background – The QETP program was initiated by the IRS Small Business /Self Employed Division in 2006, as a federal-state partnership whereby the IRS and SWAs share pertinent information to address employment tax schemes that reduce or evade state and/or federal employment or unemployment insurance taxes. The QETP program allows SWAs to obtain worker misclassification information, employment tax results, and other FTI. ETA strongly encourages state administrators to integrate the QETP program in their state UI tax operations.

4. **Assistance to Participate.** The QETP program is administered by the IRS. A SWA seeking to participate in the QETP Program, or needing other assistance, should contact the state's IRS Governmental Liaison. Contact your appropriate ETA Regional Office if you need the contact information for your state's IRS Governmental Liaison.
5. **Inquiries.** Please direct inquiries to the appropriate Regional Office.
6. **References.**
 - UIPL No. 17-07, *Initiative to Address Questionable Employment Tax Practices*, issued April 10, 2007, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-17-07>; and
 - TEN No. 03-21, *Questionable Employment Tax Practices (QETP) Program*, issued August 20, 2021, <https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-03-21>.
7. **Attachment(s).** None