FTD COMPLIANCE CARD — M1i Form 433 Auto-Populator

Fbaum Enterprises LLC d/b/a The Federal Tax Desk | Version 1.4 | Issued 2026-07-18 | Last verified 2026-08-26

HOW TO USE THIS CARD FOR §10.36 COMPLIANCE

OPR Alert 2026-19 (June 24, 2026) requires firms to vet third-party tools and document that vetting under Circular 230 §10.36. To satisfy this requirement using this card:

1. Print or save this PDF. Date your review in the space provided at the bottom of this card.
2. Add this card to your firm's AI tool inventory or WISP third-party provider list.
3. Before first use with any client matter, verify that the Collection Financial Standards dollar figures in Element 3 match current IRS.gov content by following the verification steps in that element — these figures change periodically (IRM 5.15.1.9(3),(4),(8),(9) governs how substantiation and deviation documentation work, but the dollar amounts themselves are republished, not fixed by regulation).
4. Document that verification with the date and your initials.
5. Your completed card constitutes the §10.36 vetting documentation for this tool.

ELEMENT 1 — TOOL IDENTIFICATION

Tool name / version
M1i Form 433 Auto-Populator, version 1.4

FTD issue date
2026-07-18

Most recent update
2026-08-26

Last verified against source
2026-08-26

Governing authority
IRM 5.15.1 — 5.15.1.2(7), .3(1), .8, .9, .9(5), .10, .10.1, .10.2, .12

Threshold source
IRM 5.15.1 and all Collection Financial Standards figures, live-fetched from irs.gov 2026-07-18, effective 2026-06-29

Source URLs
irs.gov/irm/part5/irm_05-015-001; irs.gov/businesses/small-businesses-self-employed/collection-financial-standards; irs.gov/businesses/small-businesses-self-employed/national-standards-food-clothing-and-other-items; irs.gov/pub/irs-sbse/out-of-pocket-health-care.pdf; irs.gov/businesses/small-businesses-self-employed/local-standards-housing-and-utilities (all 50 state + DC + Puerto Rico pages); irs.gov/pub/irs-sbse/transportation-standards.pdf

Note: The biggest flagged scope risk for this tool was whether the Housing & Utilities county-level dataset (thousands of counties) was available in a structured, machine-readable format or only as non-machine-readable PDFs, which would call for reporting the gap rather than hand-typing a partial table. Live verification on 2026-07-18 found the data is published as real per-state HTML tables (not PDF-only), confirmed by directly fetching and deterministically parsing all 52 state/territory pages (50 states, DC, Puerto Rico) — 3,223 counties/parishes/boroughs/municipios total, not summarized by a language model. County counts were spot-checked against known real-world totals (Texas 254, Georgia 159, Illinois 102, Kentucky 120) as a data-integrity control before the dataset was accepted.

Note: The transcript-parsing step (parseTranscriptText()) was built and tested against two real, PII-redacted Wage & Income Transcripts provided by the firm principal, not invented sample text. A real-sample-confirmed formatting fact materially shaped the design: the IRS omits a zero-value box entirely rather than printing $0.00, so a missing box is treated as an expected, flagged case rather than a parsing failure. Form W-2 and Form 1099-K did not appear in either real sample; their extraction rules are built from the best-documented public transcript format and are marked unverified in the source comments.

Note: The original IncomeDocument spec (written before any real sample was available) omitted three document types that appeared in the real samples and are common in practice: Form 1099-R (retirement/pension distributions), Form 1099-Q (education savings distributions), and Schedule K-1 (partnership/S-corp ordinary income, which can be negative). All three were added to the parser's scope; omitting them would have understated income for any taxpayer with retirement or pass-through income. Separately, Form 1098 (mortgage interest paid) and Form 5498 (IRA fair market value) are parsed and displayed but excluded from the income total — both appear on a Wage & Income Transcript but are not income the taxpayer received.

ELEMENT 2 — WHAT THIS TOOL DOES

The M1i Form 433 Auto-Populator has two independent halves that meet in one output. The income side mechanically extracts each income document's payer, form type, box label, and dollar amount from a pasted Wage & Income Transcript and sums them into monthly income. The expense side looks up the National Standards (Food/Clothing/Other Items and Out-of-Pocket Health Care), the Housing & Utilities standard for the selected county, and the Transportation standard for the selected Census Region/MSA and vehicle count, each under IRM 5.15.1. The result is a plain-English monthly disposable income figure — the starting point for an installment agreement, Offer in Compromise, or CNC determination, not a final number.

Inputs

Pasted Wage & Income Transcript text; household size; number of vehicles (0/1/2); state and county; Census Region and, where applicable, metro area. No SSN, EIN, or taxpayer name is retained by the tool — the pasted text is processed entirely in the practitioner's browser.

Output

Monthly disposable income; per-document income breakdown with parsing-confidence warnings shown inline; per-category expense breakdown with IRM citation; threshold currency statement; limitation disclosure; a copy-paste-ready plain-text block.

What this tool IS

This tool produces a calculation reference for practitioner use, built from mechanical text extraction and a deterministic lookup table.

What this tool IS NOT

This tool does not produce tax advice, legal advice, or written advice subject to Circular 230 §10.37. The transcript-parsing step is regex-based mechanical extraction of payer-disclosed information already on the transcript — it is not OCR, not the IRS Direct File Fact Graph, and not AI interpretation of the taxpayer's overall financial picture. It is not a certified Collection Information Statement. The practitioner retains full professional responsibility for all conclusions presented to clients.

ELEMENT 3 — ACCURACY AND VERIFICATION

Primary sources

IRM 5.15.1.3(1) (disposable income definition); IRM 5.15.1.8 (allowable expense overview); IRM 5.15.1.9 (National Standards); IRM 5.15.1.9(3),(4),(8),(9) (National Standards substantiation/deviation documentation); IRM 5.15.1.9(5) (Out-of-Pocket Health Care, age-tiered per-person allowance); IRM 5.15.1.10, .10.1, .10.2 (Local Standards — Housing/Utilities, Transportation); IRM 5.15.1.12 (determining individual income); IRM 5.15.1.2(7) (household size).

Placeholder citations

None. Every dollar figure traces to a same-day live fetch from irs.gov, including a full re-derivation of the 52-page Housing & Utilities county dataset and the Transportation standards PDF (read via direct text extraction, not a summarizing tool, after an initial extraction attempt through a summarizing fetch tool was found unreliable for numeric PDF data and discarded).

Update trigger

This card and the tool are updated within 5 business days of an IRS Collection Financial Standards republication (these figures change periodically; the last change reflected in this card was 2026-06-29) or a correction being discovered.

How to verify the Form 433 Auto-Populator's figures

1. Navigate to irs.gov/businesses/small-businesses-self-employed/collection-financial-standards and confirm the current National Standards figures and both Out-of-Pocket Health Care age-tier rates (under-65 and 65-or-older) match this tool's output.
2. Navigate to the relevant state's Local Standards: Housing and Utilities page and confirm the selected county's figure.
3. Navigate to irs.gov/pub/irs-sbse/transportation-standards.pdf and confirm the ownership and operating-cost figures for the selected region/MSA and vehicle count.
4. Compare the parser's extracted payer names and dollar amounts against the original pasted transcript line by line, and resolve every parsing warning shown in the output before relying on the income total.
5. Independently verify household size against the taxpayer's current-year return per IRM 5.15.1.2(7).

Known limitations — KNOWN FAILURE MODES

- Form W-2 and Form 1099-K extraction rules were built from the best-documented public Wage & Income

Transcript format, not verified against a real sample of either type — treat a parse involving these two form types with extra scrutiny until verified.
- The parser is mechanical text extraction, not a validator of the transcript's completeness. A transcript pasted with missing pages, or a taxpayer with income sources not reported to the IRS (e.g., unreported cash income), will not be caught by this tool.
- Housing & Utilities figures use the '5 or more persons' column for any household of 5 or larger — IRM 5.15.1.10.1 does not publish a per-additional-person add-on for housing the way National Standards does for Food/Clothing/Other Items.
- This tool does not itself determine ability to pay, propose a payment amount, or model any specific IA/OIC/CNC eligibility rule — it produces the disposable-income input those determinations start from.

ELEMENT 4 — DATA HANDLING

This tool does not receive or store tax return information beyond what the practitioner pastes into the browser session to run a calculation. No §7216 consent is required for use of this tool.

Data retention: The pasted transcript text and all inputs are processed entirely in your browser and are never transmitted to or stored by FTD. Anonymous, aggregate usage events (for example, that a calculation was run) are recorded with no input values, no transcript text, and no personal data.

ELEMENT 5 — CIRCULAR 230 / SSTS 1.4 COMPLIANCE STATEMENT

This tool is designed for use by tax practitioners subject to Circular 230. Use of this tool does not satisfy the practitioner's obligation to exercise due diligence under Circular 230 §10.22 or to possess technological competence under Circular 230 §10.35. The practitioner must independently verify tool outputs before relying on them in client matters or submissions to the IRS. OPR Alert 2026-19 (June 24, 2026) confirms that practitioners may not delegate professional judgment to software tools. For AICPA-member CPAs: this is an AI-assisted tool; the member's professional responsibilities under SSTS 1.4 (effective January 1, 2024) still apply.

ELEMENT 6 — TOOL CLASSIFICATION

TOOL CLASSIFICATION: This tool is a deterministic calculation and mechanical text-extraction engine, not a generative AI tool. The transcript-parsing step is regex-based pattern matching against a known text layout, not OCR and not AI interpretation of taxpayer data. Given the same pasted transcript text and household inputs, this tool always returns the same extracted figures and the same expense-standard lookups. The practitioner retains full obligation to exercise appropriate judgment and verify outputs before relying on them in client matters.

ELEMENT 7 — UPDATE AND CORRECTION LOG

Table A — Version History

Date	Version	Change Description	Trigger
2026-07-18	v1.0	Initial release — transcript-paste income extraction (mechanical, regex-based) covering W-2, 1099-NEC/MISC/INT/DIV/K/R/Q, Schedule K-1, 1098, and 5498; National/Housing/Transportation Collection Financial Standards lookups with a live-fetched, deterministically parsed 3,223-county Housing & Utilities dataset; disposable-income orchestration and citation output	Initial build, origin: competitive scan; build gate cleared 2026-07-18; deploy held pending the applicable Task Schedule gate

2026-07-18	v1.1	Added a per-household-member age input and wired it into the Out-of-Pocket Health Care standard: the $90/month under-65 rate and $163/month 65-or-older rate now each apply to the correct household members instead of applying the under-65 rate to everyone. UI, output text, and this card updated to show the per-tier breakdown instead of a flat-rate disclosure.	Correctness fix; deploy still held pending the applicable Task Schedule gate
2026-07-29	v1.2	Added a STANDARDS_RECHECK_BY constant (2027-06-29, one year past the current Collection Financial Standards' effective date) and a companion test asserting today's date has not passed it. No threshold, citation, or lookup data changed — the National Standards, Health Care, Housing (all 52 states/territories), and Transportation figures were spot-verified live against irs.gov and confirmed byte-for-byte current (effective 2026-06-29); this change makes the annual re-verification cadence machine-checkable instead of relying on a human noticing a year has passed since the last check.	Fleet-wide currency sweep; Collection Financial Standards re-confirmed live, no correction needed
2026-07-30	v1.3	Live production testing (in-browser PDF-upload path, pdfTextExtraction.js) found a real 1099-MISC's payer name rendered as "Page 5/5" instead of the actual payer — a page-footer artifact (page number, or the sensitive-taxpayer-data banner) landed at findRoleSections()' fixed lines[i+2] offset instead of the real name line, because that function had no page-furniture filtering at all (unlike the Account Transcript parser). A new stripPageFooterArtifacts() preprocessing pass now removes these artifacts — including the shape confirmed in this same production test, where the artifact is concatenated onto the end of the preceding token with no separator, not only on its own line — before any line-based field extraction runs.	Defect found and fixed via live production testing against a real transcript, not hypothesized

2026-08-26	v1.4	A priority-fix handoff flagged the Out-of-Pocket Health Care standard as potentially stale, citing four sources allegedly showing $149/65-or-older and $84/under-65 against a possibly-unreleased June 2026 update. Re-verified live directly against irs.gov/businesses/small-businesses-self-employed/national-standards-out-of-pocket-health-care (fetched twice, same session): the live page states $90/month under-65 and $163/month 65-or-older, effective June 29, 2026 — identical to the figures already shipped in HEALTH_CARE_UNDER_65/HEALTH_CARE_65_OR_OLDER. Cross-checked against the DOJ U.S. Trustee Program means-testing page, which independently confirms an IRS standards update effective for cases filed on/after 7/15/2026, consistent with the same June 2026 IRS republication. No code or lookup value changed; this entry documents the re-verification and updates lastVerified. The handoff's cited $149/$84 figures did not match any live source found.	Priority-fix handoff requested live re-verification; standard confirmed already current, no correction needed

Table B — Correction Log (OPS-002)

Date	Error Class	Description	Authority	Affected TCs
2026-07-18	Scope correction (pre-build)	The original scope assumed this tool would extend an existing DEC transcript-parsing engine. DEC is a static transaction-code lookup with no transcript-ingestion logic to extend; the scope was corrected before the build to a from-scratch, text-paste-only parser scoped to mechanical extraction, not file upload or OCR.	N/A — internal scope correction, not authority-driven	N/A — pre-build correction, no shipped code affected

2026-07-18	Data-source risk resolved (pre-build verification)	The biggest flagged risk for this tool was whether the Housing & Utilities county dataset was machine-readable or PDF-only; a PDF-only finding would have required the smaller MVP fallback (manual county entry). Live verification found real per-state HTML tables, not PDF-only, and the full 3,223-county dataset was built and deterministically parsed rather than falling back to manual entry.	irs.gov Local Standards: Housing and Utilities, all 50 state + DC + Puerto Rico pages, fetched 2026-07-18	N/A — pre-build verification, no shipped code affected
2026-07-18	Spec gap corrected (pre-deploy, caught against real sample data)	The original IncomeDocument formType union, written before any real transcript sample was available, omitted 1099-R, 1099-Q, and Schedule K-1 — all three appeared in the real samples used to build the parser and are common in practice. All three were added; omitting them would have understated income for any taxpayer with retirement distributions or pass-through income.	Real-sample verification against two PII-redacted Wage & Income Transcripts, 2026-07-18	N/A — pre-deploy correction, tool not yet publicly live
2026-07-18	Correctness gap closed + citation correction (pre-deploy)	The v1.0 build applied the under-65 Out-of-Pocket Health Care rate ($90/month) to every household member because it collected only a household-size count, not per-person ages — understating the standard by $73/month (81%) for any member 65 or older. Added a per-member age input and wired the age-tiered rate into lookupNationalStandard(). Separately, the assumed citation for this age-tier structure (IRM 5.15.1.4(5)) was checked via a live fetch and found to be an unrelated 12-month-reinvestigation rule with no connection to National Standards; corrected to IRM 5.15.1.9(5) throughout this card and the tool's source comments.	IRM 5.15.1.9(5) (irs.gov/irm/part5/irm_05-015-001, fetched 2026-07-18); irs.gov/businesses/small-businesses-self-employed/national-standards-out-of-pocket-health-care (fetched 2026-07-18)	N/A — pre-deploy correction, tool not yet publicly live

FIRM ADOPTION RECORD

	Tool reviewed and adopted by (practitioner name and credentials):
	Firm name:
	Date of initial review:
	Collection Financial Standards figures verified against IRS.gov on:
	Initials:
	[ ] This card has been added to firm's §10.36 AI tool inventory.