

IRM PROCEDURAL UPDATE

DATE: 06/01/2015

NUMBER: SBSE-04-0615-0938

SUBJECT: Post Publication Revision to TY 2013 IRM 4.19.3, IMF Automated Underreporter Program

AFFECTED IRM(s)/SUBSECTION(s): 4.19.3

CHANGE(s):

Throughout the IRM added Action Code (AC) 120 where appropriate

IRM 4.19.3.4.8.3(2) step 3 - revised to clarify Exam headquarters

2. The AUR FFC is also responsible for monitoring and managing the Fraud Referral Program within the AUR Operation.
 1. Maintaining a copy of each Form 13549 for 3 years.
 2. Tracking all AUR fraud leads, including those declined/returned to AUR and those accepted for further Fraud development. AUR will use a combination of the IPC listing and Form 13549 to track Fraud referral cases.
 3. Submitting information on Fraud referral/accepted/declined cases to Exam Headquarters by the fifth day of each month.
 4. Completing the Campus Fraud Monitoring report located at \\COV0010CPSHR1\Common\SBSE\Campus Compliance Services\Fraud.

IRM 4.19.3.7.5.1(9) - added Caution for taxpayer chooses to itemize

IRM 4.19.3.7.5.1(10) step 2 - added Caution for taxpayer chooses to itemize

9. If the system computed a SITR refund, the current year filing status code has changed from the prior year, and the PRIOR YEAR TOTAL ITEMIZED DED field on the SITR window is less than or equal to 0 (zero), the system displays the following message: "Warning: SITR refund. Prior Yr Sch A info needed, access RTVUE on IDRS."

If	And	Then
The current year filing status is "1", "3", or "4" and, the prior year	It can be determined that the taxpayer's SSN in the prior year was a	Research the Primary and Secondary SSNs

filing status was equal to "2" or "5"	secondary SSN	using IDRS CC RTVUE
The current year filing status is "2" or "5"	The prior year filing status is "1", "3", or "4"	Access IDRS CC RTVUE for each spouse that has a SITS IR

NOTE: Mark the applicable SITS IR with status code "N" or "D" if the spouse did not claim state/local taxes on the prior year Schedule A.

CAUTION: If spouse reported SITS on current year return and prior year filing status was 1, 3, or 4 and spouse did not itemize, enter amount of SITS reported as a miscellaneous deduction in the SCH C EXP/MISC Adjustment window, to refund amount. Send a Special Paragraph using the following verbiage as an example: "Since state and local taxes were not claimed as an itemized deduction on either your or your spouse's 2012 tax return, you are not required to report the refund for the spouse who did not itemize deductions. We have reduced the amount reported on line 10 of your return. This change is reflected on our notice as a miscellaneous adjustment."

Verify that the PRIOR YEAR fields on the SITS window match RTVUE and correct if necessary.

CAUTION: If TP chose to itemize (even when it is less than the standard deduction) and the TP claimed state/local tax deduction on the previous year's Schedule A, do not allow the SITS refund. Mark the SITS IR with status code "N" or "D".

10. If the system computed a SITS refund and the current year filing status code has not changed from the prior year, the system displays the following message: "Warning: SITS refund."
 1. Access IDRS CC RTVUE.
 2. Verify that the PRIOR YEAR fields on the SITS window match RTVUE and correct if necessary.

CAUTION: If TP chose to itemize (even when it is less than the standard deduction) and the TP claimed state/local tax deduction on the previous year's Schedule A, do not allow the SITS refund. Mark the SITS IR with status code "N" or "D".

IRM 4.19.3.19.1(3) table - complete revision

3. When there is an indication of identity theft in the message window, take the following actions:

NOTE: Beginning June 1, 2015 Brookhaven (BSC), Ogden (OSC) and Philadelphia (PSC) AUR sites will follow local procedures for processing

cases involving identity theft.

CAUTION: If the TC 971 AC 501, 504, 505, 506 or 522 has been reversed with a corresponding TC 972 - continue normal AUR processing, DO NOT TRANSFER TO IDTVA

If TC 971 has an AC of	Then
501 ,	<p>Research IDRS CC ENMOD to determine if the TRANS- DT on an existing TC 501 indicates documentation was received within the last three (3) years.</p> <p>If less than 3 years:</p> <ol style="list-style-type: none">1. Issue Letter 2626C2. Include a paragraph to request a statement identifying the issues related to IDT.3. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT.4. Input IPC 3L, 6L or 8L as appropriate. <p>If more than 3 years</p> <ol style="list-style-type: none">1. Issue a Letter 2626C.2. Include a paragraph to request IDT documentation.3. Include a paragraph to request a statement identifying the issues related to IDT.4. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT.5. Input IPC 3L, 6L or 8L as

	appropriate.
522 with the literals INCOME, MULTI, INCMUL, IRSID, NODCRQ, NOFR or OTHER	<ol style="list-style-type: none"> 1. Input IPC SI. 2. Place in the designated area for the AUR IDT liaison.
522 with the literal PNDCLM	<p>Research AMS/CIS to check for IDT documentation and/or a related scanned taxpayer response</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documentation.</p> <p>If AMS/CIS includes a copy of a signed Form 14039 or a police report, then:</p> <ol style="list-style-type: none"> 1. Input IPC SI. 2. Place in the designated area for the AUR IDT Liaison. <p>If AMS/CIS does not contain a Form 14039 or police report included then, continue normal AUR processing. DO NOT TRANSFER TO IDTVA</p>
504 with the literal RPM	Close no change PC 52, 71 or 92.
506	Do not send a Letter 1802C.
AC 504 with literals SPCL1, SPCL2 or EAFail does not indicate identity theft. See IRM 10.5.3-6, IMF Only TC 971 AC 504.	<ol style="list-style-type: none"> 1. Continue normal AUR processing. 2. Leave a case note acknowledging the AC 504 - SPCL1, SPCL2 or EAFail.
523 NOTE: Per IRM 10.5.3.2.12, <i>Misuse of Dependent SSN - TC 971 AC 523</i> , TP has been using a questionable dependent TIN.	Continue normal AUR processing. DO NOT TRANSFER TO IDTVA.
524 NOTE: Per IRM 10.5.3.2.13, <i>Locking Decedent Accounts - TC 971 AC 524</i> , as of 01/2011, AC 524 is used to lock the account of deceased taxpayers. The posted return is presumed	Continue AUR processing following IRM 4.19.3.4.5, Deceased Taxpayers , and/or IRM 4.19.3.20.1.14, Decedents . DO NOT TRANSFER TO IDTVA.

to be legitimate until a response is received.	
525	Close no change PC 52, 71 or 92. Do not send a Letter 1802C.

IRM 4.19.3.20.1(3) - revised to update fax number for qualified offers

3. If the taxpayer's response indicates the taxpayer's attorney submitted a **qualified offer**, uses the words "**qualified offer**" or mentions "**IRC 7430(g)**", immediately fax the offer to "Chief, Branch 5, Office of the Associate Chief Counsel (Procedure & Administration)," at (202) 317-5410, requesting a determination of whether the offer is a qualified offer under IRC 7430. Along with the offer document include the following:

NOTE: If during a phone call the TP/representative mentions they have filed a qualified offer, notify the AUR Coordinator immediately so that they can obtain the case file and take the necessary actions.

CAUTION: Do not confuse a Qualified Offer with an Offer in Compromise.

- a cover sheet with the name of the taxpayer,
- a brief description of the issue(s),
- the type of tax and
- the name and telephone number of a person in the campus who is the point of contact

The subject line of the fax cover sheet should be "**Purported Qualified Offer under Section 7430**". For more information about qualified offers, see IRC 7430(g), Treas. Reg. § 301.7430-7, Chief Counsel Notice 2010-007, and IRM 35.10.1.3, *Awards of Litigation and Administration Costs and Fees*. In general, a taxpayer who submits a qualified offer and meets the other requirements of section 7430 may recover reasonable administrative and litigation costs from the IRS if the IRS does not accept the offer and the taxpayer's liability pursuant to a judgment in a court proceeding is equal to or less than the liability the taxpayer would have incurred if the Service had accepted the offer.

If the taxpayer provides an explanation that allows the case to be closed, issue a Letter 1802C and close the case with the appropriate PC (52 for CP 2501, 71 for CP 2000, or 92 for Stat). Attach a copy of the Letter 1802C to the qualified offer that is being sent to Counsel.

IRM 4.19.3.20.1.15(3) - added Note for manual refunds

3. A taxpayer may request the return of all or part of an IRC 6603 deposit before the deposit is used for a payment of tax. The requests must be in writing and include the following:
 - a. The date(s) and amount(s) of the original deposit(s);
 - b. The type(s) of tax to which the deposit was intended to be applied;
 - c. The tax year(s) to which the deposit was intended to be applied.

If the request is complete, a manual refund is required. See IRM 21.4.4, *Manual Refunds*, IRM 21.5.1, *General Adjustments*, IRM 21.5.2, *Adjustment Guidelines*, and IRM 20.2.4.8.2.2, *Request for Return of an IRC 6603 Deposit*, for more information.

NOTE: The accrual of interest stops only on the amount actually remitted by the taxpayer on the date the remittance is received. Interest continues to accrue on other unpaid amounts, including accrued interest.

NOTE: Some Directorships have centralized the processing of manual refunds. If an AUR site reports to a Directorship where manual refunds have been centralized, follow local procedures regarding processing.

IRM 4.19.3.20.1.25 - changed title to read" Identity Theft (IDT) Claims Overview", complete revision of subsection

Identity Theft (IDT) Claims – Overview

1. With incidents of identity theft increasing each year, emphasis being placed on the ability for programs throughout the IRS to provide expedited handling, and to track the number of unresolved identity theft cases.

NOTE: Beginning June 1, 2015 Brookhaven (BSC), Ogden (OSC) and Philadelphia (PSC) AUR sites will follow local procedures for processing cases involving identity theft.

2. In May 2015, the Service established **IDT Victim Assistance Specialized Teams (IDTVA)**. The IDTVA tax examiner will be the TP's single point of contact (SPOC) for IDT and other account related issues. All cases with a Form 14039, Identity Theft Affidavit, and/or a police report received in AUR will be referred to the IDTVA. The IDTVA makes all IDT account determinations and performs Complete Account Analysis (CAA). After all IDT account related issues/actions are completed, the cases are referred back to AUR for processing/closure.
3. Cases where the taxpayer makes an allegation or claim of identity theft require input of identity theft indicators for the applicable tax years and are built into specialized response batches. An allegation or claim of identity theft

4. Clerical builds IDT responses that do not contain a Form 14039 , **Identity Theft Affidavit**, and/or a police report to the appropriate response batch type, 41 (CP 2501 Identity Theft (IDT) Responses), 52 or 53 (CP 2000 Identity Theft (IDT) Responses), 72 (Statutory Identity Theft (IDT) Responses), 81 (Reconsideration Identity Theft (IDT) Responses) or 83 (Employee Reconsideration) on a **daily basis** and notifies the AUR Coordinator when clerical closes the batch and the batches are ready for the technical units. The AUR Coordinator assigns the batches to ensure **these batches are treated as priority and are worked and released accordingly.**

5. If responses/RECONs with a Form 14039, Identity Theft Affidavit, and/or a police report are found in any response batches, transfer the case to the AUR IDT liaison for referral to the IDTVA.
6. IDRS updates for the IDT indicators (TC, AC and Tax Administration Source Code), are mandatory as IDRS is the Service wide monitoring and tracking system for all IDT case work. See Exhibit 4.19.3-17, *Identity Theft - Tax Administration Source Terms and Descriptions*, for more information on the applicable literals for TC 971.

CAUTION: If filing status is Married Filing Joint (FS 2), verify that the IDRS IDT indicator is posted to the correct taxpayer.

OFP Code	Designator	Description
700-48043	IDTPHONE	ID Theft Phones
710-48023	IDTSCREE	ID Theft Screening
710-48033	CP2501ID	CP 2501 ID Theft
710-48043	CP2000ID	CP 2000 ID Theft
710-48053	STATIDT	Stat ID Theft
710-40003	RECON IDT	Recon ID Theft

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IRM 4.19.3.20.1.25.1 - changed title to read "IDT Documentation", complete revision of subsection

IDT – Documentation

1. The standard Service wide acceptable documentation to substantiate a claim of identity theft is listed below.
 - A completed signed Form 14039, IRS Identity Theft Affidavit or
 - A copy of a police report stating taxpayer's identity was stolen.

Acceptable documentation to authenticate a taxpayer's identity is a legible (i.e., the name, date of birth, place of birth, address, date of issue and expiration date is clear and easily read) copy of a valid United States (U.S.) federal or state government issued identification:

- A driver's license,
- A state issued identification card,
- A Passport or
- Social Security card.

REMINDER: The taxpayer must also provide a statement indicating which AUR items are a direct result of the identity theft.

2. All identity theft actions are recorded in IDRS, including receipt and approval of complete legible identity theft documentation. See Exhibit 4.19.3-16, *Identity Theft Action Codes*, and Exhibit 4.19.3-17, *Identity Theft - Tax Administration Source Terms and Descriptions*, for more information on the IDRS IDT indicators affiliated with TC 971.

CAUTION: Verify that the IDRS updates were made for the correct taxpayer. If the secondary taxpayer (spouse) is the victim and the indicator was placed on the primary, see IRM 4.19.3.20.1.25.3.1 (12), *IDT Claims - Responses*, to reverse the indicator for the primary TP and IRM 4.19.3.20.1.25.3.1 (11), *IDT Claims - Responses*, to update the secondary TP.

IRM 4.19.3.20.1.25.2 - changed title to read "IDT - General", complete revision of subsection

IDT – General

1. In situations where the taxpayer makes an allegation of identity theft, **telephone assistants** will research IDRS CC ENMOD for a current IDT indicator, TC 971. See Exhibit 4.19.3-16, *Identity Theft Action Codes*, and Exhibit 4.19.3-17, *Identity Theft - Tax Administration Source Terms and Descriptions*, for additional information.

NOTE: The **TRANS- DT** on an existing TC 522 indicating documentation was received must be less than three (3) years old to be considered **“Current”**. **“Not current”** or **“expired”** for purposes of IDT documentation is three (3) or more years old.

2. Review the case to determine if the case is already assigned to or has already been referred to IDTVA. If the case is assigned to IDTVA provide the taxpayer with the IDTVA contact information (855-343-0057).
3. If the case is NOT already assigned to or referred to the IDTVA and any of the conditions in the table below exist, take the following actions:

If there is an existing current TC 971 with	And the literal is	Then
AC 501 or 506	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR	<p>1. Request case via UWC.</p> <p>EXCEPTION: If case is unavailable through UWC, check the Action required box and leave detailed case note if the case is controlled at another Campus. If the case is controlled at your campus order the case to work. The call site will check the Action required box.</p> <p>2. Input IPC SI.</p> <p>3. Place the case in the designated area for the AUR IDT liaison.</p> <p>4. Follow steps 3-7 below.</p>
AC 504	ACCT, BOTH, NKI, or EMPL	
	SPCL1 SPCL2, or EAFail	Continue AUR processing.
	RPM	Close case following normal AUR procedures.
AC 522	INCOME, MULTFL, INCMUL, IRSID, NOFR, or OTHER	<p>1. Request case via UWC.</p> <p>EXCEPTION: If case is unavailable through UWC, check the Action required box and leave detailed case note if the case is controlled at another Campus. If the case is controlled at your campus order the case to work. The call site will check the Action required box.</p>

		<ol style="list-style-type: none"> 2. Input IPC SI. 3. Place the case in the designated area for the AUR IDT liaison. 4. Follow steps 3-7 below.
	PNDCLM	<p>Research AMS/CIS to check for IDT documentation and/or a related scanned taxpayer response</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documentation.</p> <p>If AMS/CIS includes a copy of a signed Form 14039 or a police report, then:</p> <ol style="list-style-type: none"> 1. Input IPC SI. 2. Place in designated area for the AUR IDT Liaison. <p>EXCEPTION: Philadelphia call site will follow steps 2-6 below.</p> <p>If AMS/CIS does not contain a Form 14039 or police report included follow steps 2 -6 below.</p>
	"OTHER" and "PPDS" as the BOD, "OPIP" as the Program	<p>Consider the account as NOT having a TC 971 AC 522 posted and follow steps 1-6 below.</p>

1. If none of the above is present or if the TRANS-DT is not current, input TC 971 AC 522 PNDCLM using the IAT "REQ77" tool. See IRM 4.19.3.20.1.25.3.1(11), *IDT Claims - Responses*, for additional information.

EXCEPTION: If there is an existing TC 971 AC 522 PNDCLM/IRSID for the same tax year, DO NOT apply a second code.

2. Attempt to secure all IDT documentation via fax.

EXCEPTION: The Philadelphia Call site will inform the taxpayer of the acceptable ID Theft documentation necessary and advise them to fax and/or mail to assigned campus.

3. Inform the taxpayer they should contact the Federal Trade Commission at (877) 438-4338 or <http://www.ftc.gov/> and that they should make a report to their local police and the three major credit bureaus. For additional information, visit <http://www.irs.gov/> key word "Identity Theft" or see Pub 4535, *Identity Theft Prevention and Victim Assistance*.
4. Advise the taxpayer if they choose to fax the information to us, to please enlarge the image prior to faxing to avoid delays in resolving their case. Some faxed items like driver's licenses or social security cards may not be legible when we receive them. As these items must be legible, we would have to contact them again to ask the taxpayer to mail copies that we can read.
5. Ask the TP which income issues are a direct result of the identity theft.
6. Leave a detailed case note documenting the call and actions taken.
7. Advise the TP once the required documentation (Form 14039 or police report) is received, their case will be referred to the Identity Theft Victims Assistance, and if additional information is needed a representative from that area will contact them.

NOTE: If the TP faxes the required documentation in (while on the call), advise them their case is being referred to the Identity Theft Victims Assistance, and if additional information is needed a representative from that area will contact them.

4. If there is no TC 971 AC 501, 504 or 522 with the literals INCOME, MULTI, INCMUL, NOFR, OTHER, IRSID or PNDCLM, immediately input TC 971 AC 522 PNDCLM, using the IAT "REQ77" tool. For instructions on how to input TC 971, see IRM 4.19.3.20.1.25.3.1, *IDT Claims -Responses*.

CAUTION: If the account is marked with TC 971 AC 504 SPCL1 or EAFAIL, there have been unsuccessful attempts to obtain an IP PIN. Use high risk disclosure procedures; see IRM 4.19.3.20.2.2, Disclosure, for additional information.

5. Verify that the IDRS updates were made for the correct taxpayer. If the secondary taxpayer (spouse) is the victim and the indicator was placed on the primary, see IRM 4.19.3.20.1.25.3.1 (12), *IDT Claims - Responses*, to reverse the indicator for the primary TP and IRM 4.19.3.20.1.25.3.1(11), *IDT Claims - Responses*, to update the secondary TP.
6. If the taxpayer's response indicates #XXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX#.
 1. Use the IAT "aMend" tool, research portion, to determine if the case is a Scrambled SSN or Mixed Entity. If yes, prepare Form 4442 for

referral to AM and close the case using PC 52, 71 or 92 as appropriate.

2. If no, advise the taxpayer to submit a written response to the address on the notice
3. Leave a case note documenting the conversation and the actions taken.

IRM 4.19.3.20.1.25.3 - changed title to read "IDT Claims - Initial Handling", complete revision of subsection

IDT Claims - Initial Handling

1. Upon receipt/assignment of an IDT case, including referrals, an initial cursory review must be performed to determine if the case will be worked in AUR or if a referral to the IDTVA is needed. Identifying ownership at the beginning of an IDT claim provides a higher level of customer service and reduces the potential for duplicating work and not resolving all related problems.
2. Special attention should be given to cases that by their nature indicate a high potential for multiple year involvement, especially taxpayers who do not have a filing requirement, are elderly disabled and/or underage. When IDTVA has an open control on any tax year, or any prior involvement on the taxpayers account it may be necessary to refer the case to the IDTVA.

NOTE: It is understood that multiple year issues may not be known until later in the case processing.

3. In an effort to avoid duplicating work, to determine the single point of contact (SPOC) or ownership for an IDT case and to identify non-AUR issues that could be worked concurrently, research is needed.

If	And	Then
IDRS shows an existing current TC 971 AC 501, 505, 506 or 522 not input by AUR	There is an open control in Exam, or ACS; i.e. Multiple Function Criteria (MFC) or Single Function (SF).	Contact the controlling function to determine if they want the case.
The module contains reference to DUPF on IDRS CC ENMOD or TXMOD		
IDRS CC ENMOD shows an existing current TC 971 AC 506 not input by AUR	There is an open control in IDTVA, AM RICS or IVO	<ol style="list-style-type: none"> 1. Input IPC SI. 2. Place in the designated area for the AUR IDT

		liaison.
IDRS CC ENMOD shows an existing current TC 971 AC 506	There are no open controls	Close case using PC 52, 71 or 92 as appropriate.
<p>The module contains references to any of the following on IDRS CC ENMOD or TXMOD</p> <ul style="list-style-type: none"> ○ Letter 4464C ○ Letter 4310C ○ CP 05 or CP 05A ○ TC 720 ○ TC 971 with AC(s) 052, 617,044, 199 ○ TC 971 with AC 134 (with blank Misc field) ○ TC 971 with AC 506 WI AMTAP (RFND, OTHER, OMM, OMMGB OR DDB) ○ UP 147 RC(s) 6, 7, OR 8 ○ IDRS controls to 06500 - 06547, 06831 - 06583, and 14810 - 14879 ○ TC 972 AC 121 with ccc3 on posted return 		
The Refund Scheme Listing, IRP data, Exhibit 21.6.2-3, <i>IRPTR/IDRS Data Decision Tree</i> , etc. indicate that the return is bad (not filed by the SSN owner).	The return is determined to be bad	<ol style="list-style-type: none"> 1. Input IPC SI. 2. Place the case in the designated area for the AUR IDT liaison.

4. Review IDRS CC ENMOD for TC 971 AC 522 PNDCLM with IDRS control category IDIX, (**X** represents a numeric value, i.e., IDI2) this indicates the case has been referred to the IDTVA. If present,
 1. Input IPC SI
 2. Place the case in the designated area for the AUR IDT liaison.

5. If no TC 971 AC 522 PNDCLM or the IDRS control category IDIX is not present, review IDRS CC ENMOD for TC 971 AC 501, 504 or 522 with the literals INCOME, MULTFL, INCMUL, NOFR or OTHER. These indicate acceptable IDT documentation has been submitted. See Exhibit 4.19.3-16, *Identity Theft Action Codes*, and Exhibit 4.19.3-17, *Identity Theft -Tax Administration Source Terms and Descriptions*, for more information on the IDRS IDT indicators.

EXCEPTION: AC 504 with literals SPCL1, SPCL2, RPM or EAFail does not indicate IDT documentation has been submitted. However, AC 504 with the literal RPM indicates the taxpayer is a victim of verified Return Preparer Misconduct.

CAUTION: Verify that the IDRS updates were made for the correct taxpayer. If the secondary taxpayer (spouse) is the victim and the indicator was placed on the primary, see IRM 4.19.3.20.1.25.3.1 (12), *IDT Claims - Responses*, to reverse the indicator for the primary TP and IRM 4.19.3.20.1.25.3.1 (11), *IDT Claims - Responses*, to update the secondary TP.

If	Then
<p>There is an existing current TC 971 AC 501, 506, 522 with INCOME, IRSID, MULTFL, INCMUL, NOFR or OTHER</p> <p>EXCEPTION: AC 504 with literals SPCL1, SPCL2, or EAFail does not indicate IDT documentation has been submitted, treat as no AC 504.</p>	<ol style="list-style-type: none"> 1. Input IPC SI. 2. Place the case in the designated area for the AUR IDT liaison.
<p>There is no TC 971 AC 501, 504 or 522 with the literals INCOME, MULTI, INCMUL, NOFR, OTHER or IRSID</p>	<ol style="list-style-type: none"> 1. Immediately input TC 971 AC 522 PNDCLM, using the IAT "REQ77" tool. For instructions on how to input TC 971, see IRM 4.19.3.20.1.25.3.1 (11), <i>IDT Claims - Responses</i>. 2. Issue Letter 2626C. 3. Acknowledge receipt of their correspondence. 4. Include a paragraph to request IDT documentation. 5. Include a paragraph to request a statement identifying the issues related to IDT. 6. If the income issue(s) is affiliated
<p>The TRANS-DT for TC 971 AC 501, 504, or 522 with INCOME, MULTI, INCMUL, NOFR, OTHER or IRSID is more than three (3) years old</p>	

1. Use the IAT "aMend" tool, research portion, to determine Scrambled SSN or Mixed Entity. If yes, prepare Form 4442 for referral to AM and close PC 52, 71 or 92 or IPC 9R, as appropriate.
2. If no, enter IPC SI and release the case.
4. If the taxpayer submits a signed return or a statement that they did not have a filing requirement take the following actions:
 1. Input TC 971 AC 522 with literal PNDCLM, if applicable.
 2. Leave a detailed case note.
 3. Input IPC SI.
5. If the **taxpayer indicates the U/R income was the result of identity theft** or their SSN being used illegally **and** the AUR systems shows a **current unreversed TC 971, AC 501, 504, 506, 522, 523, 524 or 525** see the table below to determine appropriate action to take:

EXCEPTION: AC 504 with literals SPCL1, SPCL2 or EAFAIL does not indicate IDT documentation has been submitted. However, AC 504 with the literal RPM indicates the taxpayer is a victim of verified Return Preparer Misconduct.

CAUTION: Verify the TC 971, AC 501, 504, or 522 is for the SSN that corresponds to the U/R. If the secondary taxpayer (spouse) is the victim and the indicator was placed on the primary, see IRM 4.19.3.20.1.25.3.1(12), *IDT Claims - Responses*, to reverse the indicator for the primary TP and IRM 4.19.3.20.1.25.3.1(11), *IDT Claims - Responses*, to update the secondary TP.

If	Then
AC 501, 504, 506, or 522 with the literals INCOME, MULTFL, NOFR, INCMUL or OTHER	<ol style="list-style-type: none"> 1. Input IPC SI. 2. Leave a case note. 3. Place the case in the designated area for the AUR IDT liaison.
AC 522 with the literal PNDCLM and there is a Form 14039 or police report present	
AC 505, 525, or 504 with the literal RPM	Close the case following normal AUR procedures.
AC 522 with the literal PNDCLM and there is no Form 14039 or police report present	<ol style="list-style-type: none"> 1. Issue a Letter 2626C. 2. Acknowledge receipt of their correspondence. 3. Include a paragraph to request IDT documentation. 4. Include a paragraph to request a statement identifying the issues related to IDT. 5. If the income issue(s) is affiliated with the secondary SSN which does not have the

	<p>IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT.</p> <p>6. Input IPC 3L, 6L or 8L as appropriate.</p>
AC 523	<ol style="list-style-type: none"> 1. Issue a Letter 2626C. 2. Acknowledge receipt of their correspondence. 3. Include a paragraph to request IDT documentation. 4. Include a paragraph to request a statement identifying the issues related to IDT. 5. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT. 6. Input IPC 3L, 6L or 8L as appropriate.
AC 524	<p>See IRM 4.19.3.4.5, Deceased Taxpayers.</p> <p>NOTE: If closing no change use PC 39, 69 or 89.</p>

6. If the **taxpayer indicates the U/R income was the result of identity theft** or their SSN being used illegally, there is no Form 14039, Affidavit of Identity Theft, or police report present, **and** the AUR systems shows an **expired (more than three (3) years old), unreversed TC 971 AC 501, 504 or 522**, see the table below to determine appropriate action to take.

EXCEPTION: AC 504 with literals SPCL1, SPCL2 or EAFAIL does not indicate IDT documentation has been submitted. However, AC 504 with the literal RPM indicates the taxpayer is a victim of verified Return Preparer Misconduct.

IF	AND	THEN
AC 501, 504 or 522 with the literals INCOME, MULTFL, NOFR, INCMUL or OTHER	The taxpayer identifies the AUR issue(s) directly related to the IDT claim	<p>Research AMS/CIS to check for IDT documentation and/or a related scanned taxpayer response.</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documentation.</p> <p>If AMS/CIS includes a copy of a signed Form 14039 or a police report,</p>

		<p>then:</p> <ol style="list-style-type: none"> 1. Input IPC SI. 2. Place in the designated area for the AUR IDT liaison. <p>If AMS/CIS does not contain a Form 14039 or police report included:</p> <ol style="list-style-type: none"> 1. Issue a Letter 2626C. 2. Acknowledge receipt of their correspondence. 3. Include a paragraph to request IDT documentation. 4. Input IPC 3L, 6L or 8L as appropriate.
AC 501, 504 or 522 with the literals INCOME, MULTFL, NOFR, INCMUL or OTHER	The taxpayer does not identify the AUR issue(s) directly related to the IDT claim	<p>Research AMS/CIS to check for IDT documentation and/or a related scanned taxpayer response.</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documentation.</p> <p>If AMS/CIS includes a copy of a signed Form 14039 or a police report, then:</p> <ol style="list-style-type: none"> 1. Input IPC SI. 2. Place in the designated area for the AUR IDT liaison. <p>If AMS/CIS does not contain a Form 14039 or police report included:</p> <ol style="list-style-type: none"> 1. Issue a Letter 2626C. 2. Acknowledge receipt of their correspondence. 3. Include a paragraph to request IDT documentation. 4. Include a paragraph to request

		<p>a statement identifying the issues related to IDT.</p> <p>5. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT.</p> <p>6. Input IPC 3L, 6L or 8L as appropriate.</p>
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7. If the **taxpayer indicates the U/R income was the result of identity theft** or their SSN being used illegally **and** the AUR systems shows **no indication of identity theft in the AUR system**, there is no Form 14039 , *Affidavit of Identity Theft*, or police report present, check IDRS CC ENMOD for the conditions in (5) above. If no indication take the following actions:

If	Then
Only requesting documentation of the theft	<ol style="list-style-type: none"> 1. Issue a Letter 2626C. 2. Acknowledge receipt of their correspondence. 3. Include a paragraph to request IDT documentation. 4. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT. 5. Input IPC 3L, 6L or 8L as appropriate.
Requesting both IDT documentation and a statement identifying each specific item(s) that is a result of identity theft	<ol style="list-style-type: none"> 1. Issue a Letter 2626C. 2. Acknowledge receipt of their correspondence. 3. Include a paragraph to request IDT documentation. 4. Include a paragraph to request a statement identifying the issues related to IDT. 5. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of

	<p>the issues related to IDT.</p> <p>6. Input IPC 3L, 6L or 8L as appropriate.</p>
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8. If the taxpayer does not provide all of the requested documentation (Form 14039 or police report present) and has provided contact information (telephone number) OR a Form 4442 has been received based on a telephone call, attempt to contact the taxpayer by telephone to verify missing documentation.
 - Advise the taxpayer that we need the additional documentation in order to continue processing their case. **If there are multiple U/R issues**, remind the taxpayer that they must also identify the issues directly related to the identity theft. Leave a case note documenting the contact/attempted contact.
 - Leave a case note documenting the contact/attempted contact.

REMINDER: The telephone number must be input/updated on the AUR system, if available.

9. If unable to reach the taxpayer by phone or there is no contact information:
 1. Issue a Letter 2626C to request the missing documentation and/or identification of the items related to the identity theft.
 2. Input IPC 3L, 6L or 8L as appropriate.
10. If the response ignores the previous claim of identity theft or there is only one income item in question, research IDRS CC ENMOD for a current AUR initiated TC 971 AC 522 for the tax year in question. If present, reverse per (12) below using NOIDT.
11. When updating IDRS with TC 971 AC 5XX enter the following in the miscellaneous input fields:

REMINDER: The IAT "REQ77" tool must be used to input/update the TC 971. See IRM 4.19.3.1.6, *Integrated Automated Technologies*, and Exhibit 4.19.3-21, *Mandated IAT Tools*, for additional information.

NOTE: If the documented identity theft is for the secondary taxpayer, ensure the TC 971 AC 5XX is updated for the SSN of the secondary taxpayer.

- BOD/Function Name: SBSE
- Program: AUR
- Tax Administration Source: Exhibit 4.19.3-17, *Identity Theft -Tax Administration Source Terms and Descriptions* for the appropriate entry.
- TRANS DT: leave blank, field automatically populates with the current date

- SECONDARY DT: enter the AUR tax year as 1231YYYY

NOTE: If multiple tax years are involved enter TC 971 AC 5XX for each year.

12. TC 972 is used to reverse the TC 971. The TC 972 reversal also has a miscellaneous input field. The first two fields are the same as the TC 971 miscellaneous input field (see (11) above). The Tax Administration Source is replaced with the following Reason Codes:

NOTE: To avoid an unpostable condition when inputting any TC 972 reversal, enter the transaction date of the corresponding TC 971 AC 5XX being reversed.

REMINDER: The IAT "REQ77" tool must be used to input/update the TC 972. See IRM 4.19.3.1.6, *Integrated Automated Technologies*, and Exhibit 4.19.3-21, *Mandated IAT Tools*, for additional information.

IF	THEN
The taxpayer requests its removal	Enter TPRQ
There is a typographical mistake or other internal error	Enter IRSERR
There is an internally identified negative impact	Enter IRSADM
It is determined that the taxpayer made a false identity theft claim	Enter FALSE
The taxpayer did not respond to either the request for documentation or to verify the amounts related to the claim	Enter NORPLY
During in the course of resolving an IDT issue, it is determined no identity theft occurred	Enter NOIDT
Does not meet any of the criteria above	Enter OTHER

IRM 4.19.3.20.1.25.3.2 - deleted

IRM 4.19.3.20.1.25.3.3 - deleted

IRM 4.19.3.20.1.25.3.4 - deleted

IRM 4.19.3.20.1.25.4 - deleted, renumbered remaining subsections

IRM 4.19.3.20.1.25.5 - deleted, renumbered remaining subsections

IRM 4.19.3.20.1.25.4 - changed title to read "AUR IDT Liaison Responsibilities", complete revision of subsection

AUR IDT Liaison Responsibilities

1. The AUR IDT Liaison is responsible for:
 - a. Managing IDT referrals (both to IDTVA and from IDTVA).
 - b. Input of closing PC when case is returned from IDTVA.
 - c. Reviewing all cases meeting referral criteria and Forms 4442 prior to sending to IDTVA.
 - d. Monitor cases sent to IDTVA for 120 days, see (10) below.
 - e. Track all time they spend working on IDT, see IRM 4.19.3.20.1.25(7), *Identity Theft (IDT) Claims - Overview*
2. There will be two types of cases that will require action by the AUR IDT liaison
 1. Cases received from clerical with Form 14039 or police report and
 2. Cases received where the TE has determined the case should be sent to the IDTVA.
3. When an incoming response contains either; a Form 14039 , *Identity Theft Affidavit*, and/or a police report the case, clerical will prepare a Form 3210 , transfer the case, and handwalk the case to the AUR IDT liaison for referral to the IDTVA.

NOTE: Non-identity theft mixed entity or scrambled SSN cases still follow normal procedures and are routed to Accounts Management. Use the IAT "aMend" tool, research portion, to assist in determining scrambled SSN or mixed entity

4. When the taxpayer provides Form 14039 , Identity Theft Affidavit, or police report, take the following actions:
 1. Leave a case note indicating case is being referred to IDTVA.
 2. Input IPC SI.
 3. Close AUR IDT IDRS control, if present.
 4. Verify input of TC 971 AC 522 PNDCLM, as appropriate.
 5. Input CC STAUP for 15 cycles, as needed.
 6. Complete Form 4442, see (5) below for required information.
 7. Establish an IDRS control base to IDTVA. See (7) and (8) below for information on control bases.
 8. Use control category IDI1, ID Theft Claim Referred to Spec TM and employee "00000"

NOTE: IDTVA will update the control category to IDI2 when received.

9. Return completed package to clerical to handwalk/tranship to the IDTVA.
5. The following information should be included on/with the Form 4442:

- Tax year(s) impacted.
 - Indication of any Statute issues.
 - If applicable, date of Statutory Notice of Deficiency and last day to petition
 - Indication of Collection issues.
 - Form 14039 and or police report.
 - Any other documents pertinent to the ID theft determination or the corrective actions being requested that are not available electronically. Do not forward documents available on CIS, through AMS, or IDRS prints.
6. When a case is received where the TE has input the IPC SI, the liaison will review the case to validate whether the case should be sent to the IDTVA. If case should be sent to the IDTVA, follow the procedures in (4) above. If the case should not be sent to the IDTVA, return the case to clerical with instructions to transfer back to the TE. Leave a case note indicating why the case is being returned.
 7. When establishing an IDRS Control base to IDTVA, use status code **A** (assigned-actively being worked).
 8. Use Assignee Employee Number based on the IDTVA alignments.

Campus IDRS	Assignee Employee Number
Andover	0883300000
Atlanta	0783000000
Austin	0683200000
Brookhaven	0560100000
Fresno	1084200000
Philadelphia	0560100000

9. Use the following control field inputs for consistency in monitoring referrals. The IRS Received Date is the received date of the taxpayer's complete ID theft claim (Form 14039 and required substantiation documents) or the date of IRS-identified ID theft action.

CASE STATUS	ACTIVITY CODES	DEFINITION	IRS RECEIVED DATE
A	Open cases AUR2ITVA Closed (Recon) cases: ZAUR2ITVA	AUR Form 4442 referral action completed and forwarded to co-located IDTVA EXCEPTION: TAS AUR Form 4442 referral action completed and forwarded to Ogden will transship to their assigned IDTVA.	IRS Received Date

A	Open cases: TAS AUR ID2F TAS AUR ID2P Closed (Recon) cases: ZTAS AUR 2F ZTAS AUR 2P	TAS AUR Form 4442 referral action completed and forwarded co-located IDTVA	Received Date of Form 12412
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10. IDTVA has 120 days to take the necessary actions to resolve these cases. If a Stat notice has been issued, see (11) below. The AUR IDT Liaison will monitor the BT 89003 inventory and if the case has not been returned by the IDTVA by the end of the 120 day period contact IDTVA to provide AUR with an anticipated closure date (no later than 160 days). If the case has not been returned by the negotiated date, close the AUR case with PC 17.
11. Cases where a Stat notice has been issued are time sensitive. The AUR IDT liaison provides the last date for the TP to petition the court on the Form 4442. IDTVA will work these cases as a priority. Depending on the received date of the response and the last day for the TP to petition, IDTVA (in most cases) will notify AUR of the determination regarding the AUR issue before the last day for the TP to petition the court.
12. If the IDTVA resolves the IDT issue and there are still AUR issues remaining, IDTVA will return the case to AUR with instructions to continue the processing (i.e., recomp, stat, no change, etc). The AUR IDT Liaison will ensure the appropriate actions are taken and release the case back into normal AUR inventory.

IRM 4.19.3.20.2.1(2) a - deleted Note

IRM 4.19.3.20.2.1(2) f - revised to clarify when phone number is required to be entered

IRM 4.19.3.20.2.1(2) g - deleted IRM cross reference

IRM 4.19.3.20.2.1(3) and (4) - deleted, renumbered remainder of subsection

2. Important actions to provide quality taxpayer telephone assistance include the following:
 - a. **Greet the taxpayer:** Identify yourself, including employee identification (badge) number, and indicate a willingness to help.
 - b. **Respond to the taxpayer's opening statement:** Actively listen to the taxpayer; deal with the taxpayer's feelings, if appropriate, and, acknowledge the ability to help. If appropriate, apologize for any mistakes made by IRS.
 - c. **Target the taxpayer's questions:** Listen to the taxpayer's opening statement; form and use confirming questions; gain agreement from

the taxpayer; and determine any targeting required to better identify the taxpayer's issue.

- d. **Get the necessary facts:** Ask the right questions and use appropriate hold procedures. Do not keep the caller on hold for more than a few minutes without giving him/her an explanation and apology. If additional research time is or will be too lengthy, offer to return the call with the requested information.
- e. **Provide assistance:** Provide accurate and complete assistance and/or appropriately refer the taxpayer to another source, if required. Verify the taxpayer's understanding by asking if they have any questions about what was discussed
- f. **Secure, verify and input/enter** a call back number (taxpayer/authorized representative) for all calls that require access to the AUR account. Request his or her permission to call that number and their approval for IRS to leave a message, should the return call go to an answering machine or voicemail.

NOTE: TP contact information is not required if issues/case is resolved during the call.

- g. **Close the conversation:** Conclude the contact courteously.
3. Telephone assistors are expected to handle AUR actions on the account while the taxpayer is on the phone. Telephone actions should be taken in talk or Hold status. Wrap time is appropriate when:
- o the caller does not wish to stay on the line,
 - o the case is complex requiring significant time to complete documentation or research,
 - o the taxpayer is abusive or is using inappropriate language and the phone assistor has to end the call, or
 - o the caller is an unauthorized third party and assistor needs to leave a case note or complete any necessary actions.

Muting a call is not appropriate when research is being conducted; the caller should be placed on hold.

4. The service is under no obligation to determine if the taxpayer is using a cordless device, e.g., cell phone, cordless phone. However, if you become aware it is a cordless device (e.g., you know that the number the taxpayer is calling from is a cell phone because he/she has previous told you it is, or he/she mentions during conversation that it is a cell phone), advise the taxpayer that there is a privacy risk as cordless devices use unsecured lines, and the conversation may be heard on another device.

NOTE: IRM 11.3.2.6.2, Use of Cell Phones and Cordless Devices, does not prohibit the taxpayer from use of any unsecured platform. That would include cell phones, speaker phones or any unsecured platform. The caller accepts any security vulnerability by using the cordless device or unsecured platform.

1. If the taxpayer does not agree to cordless use, the IRS employee should advise the taxpayer to call back on a more secure land line.
2. If the taxpayer agrees to continue the discussion, leave a case note.

IRM 4.19.3.20.6(12) - added Note for manual refunds

12. If there is a recomputed refund less than \$1 and the taxpayer requests a refund, issue it using manual refund procedures in IRM 21.5.1, *General Adjustments*, IRM 21.4.4, *Manual Refunds*, and IRM 21.5.2, *Adjustments Guidelines*.

NOTE: Some Directorships have centralized the processing of manual refunds. If an AUR site reports to a Directorship where manual refunds have been centralized, follow local procedures regarding processing.

IRM 4.19.3.20.7.5(5) table, 1st Then box - added Note for when Letter 3404C is manually issued

IRM 4.19.3.20.7.5(5) Exception - revised to indicate leave a case note

5. Use the following instructions to issue the Letter 2625C:

REMINDER: Do not issue a Letter 2625C to the Social Security Administration, see IRM 4.19.3.20.3.12 (3), *Social Security/ Railroad Retirement (SS/RR)*.

1. Research IDRS using CC INOLE or ENMOD to obtain the employer/payer address.

NOTE: If the payer address cannot be obtained, DELETE the issue.

2. When research is complete, update the address for the employer/payer using the Update Address window with Address Type B1 - B9, as appropriate.
3. Issue a Letter 2625C to the employer/payer, always select paragraph "X" and other applicable paragraphs to compose the body of the letter.

CAUTION: For FS 2 cases be sure the Letter 2625C refers to the correct taxpayer.

4. When a third party contact letter is mailed to an individual, Paragraph "W" MUST be included on the Letter 2625C.
5. Issue an interim letter to the taxpayer. Select paragraphs that: acknowledge the taxpayer's response, identify the reason(s) the final response is delayed AND specify a contact date when we will provide

the final response. Follow the chart below to determine appropriate taxpayer letter:

If	And	Then
The taxpayer has not granted permission to contact the payer	There are no other issues that need to be addressed	Issue Letter 3404C. NOTE: If manually issuing Letter 3404C using the IAT "Letters" tool or IDRS, you must wait 10 days before issuing the Letter 2626C.
The taxpayer has granted permission to contact the payer		Issue Letter 4314C
The taxpayer has not granted permission to contact the payer	There are other issues that need to be addressed	Issue Letter 2626C
The taxpayer has granted permission to contact the payer		

EXCEPTION: Telephone assistors may verbally inform the taxpayer of action taken instead of issuing Letter 3404C, Letter 4314C or Letter 2626C. Leave a case note to document what information was provided to the taxpayer.

IRM 4.19.3.20.10(1) - added Note for manual refunds

1. Automatic adjustment processing was expanded to include most assessments made by the tax examiner. Tax examiners have the capability of generating an auto assessment by either entering an assessment PC or completing the assessment window.
2. The manual assessment document is not required on the majority of assessments, but is available to the tax examiner if necessary.
3. The AUR system automatically creates an assessment record on all cases up until a locally determined date but no later than January 6, 2017, for CP 2000 cases or May 5, 2017, for Statutory Notice cases. Information is uploaded by AUR to IDRS on tape.
4. AUR uploads the transaction codes, reference numbers, and other data items necessary for an automatic assessment for PC 67, 87, 89, 90 and 91-93. The tax examiner verifies and/or inputs the necessary items on the Assessment window to create an automatic assessment for the following PCs, when necessary:

- PC 15
- PC 20
- PC 35-39
- PC 44, 46, 47 and 48
- PC 51-53
- PC 62-66
- PC 68-71
- PC 73-75
- PC 77
- PC 80
- PC 82-86
- PC 88
- PC 94
- PC 95

NOTE: PCs 15, 39, 47, 51, 52, 69, 70, 71, and 73 automatically generate a TC 290-0 for Virtual returns. If there is no information (loose forms, schedules or correspondence), to be associated with the refile DLN, enter "N" in the SOURCE DOC field in the Process Code window.

REMINDER: If Form 9465 or written IA request is attached, see IRM 4.19.3.20.1.21, *Installment Agreements*.

5. After January 6, 2017, for CP 2000 cases or May 5, 2017, for Statutory Notice cases, or the locally determined date, ALL assessments must be input via IDRS. Use the AUTO/MANUAL box on the Assessment window to initiate printing of the assessment document.
6. On the AUR system, the Tax Account screen updates weekly with all the new transactions posted to the module at Master File (IDRS pending transactions do not display). Prior to selecting the Assessment window, refer to IRS Processing Codes and Information, Document 6209, *IRS Processing Codes and Information*, for freeze codes that appear on the Tax Account screen.
7. If the Tax account screen shows a -L Freeze and an open TC 420 or 424, check for a case note indicating prior contact with Exam. Take the following actions based on the results:
 1. If a case note is present indicating Exam does not want the case, continue processing and input the assessment with Priority Code 1.
 2. If there is no indication of prior contact with Exam, see IRM 4.19.3.3.3.2 (9), *Freeze Codes*, to make the necessary Exam contact before inputting the assessment.

NOTE: Always use Priority Code 1 when inputting an assessment and the case contains a -L Freeze code and open TC 420.

8. If the Tax Account screen shows a -I Freeze, TC 29X must be input with a TC 34X to prevent an unpostable condition. Refer to IRM 20.2, *Interest*, for Manual Interest computation. See IRM 4.19.3.16.10, *Manually Computed Interest for the CP 2000*, for additional instructions.

NOTE: Use a non restricting TC 340, whenever possible. See IRM 20.2.8.11, *Non-Restricting Transaction Code (TC) 340* for additional information.

9. Prior to the input of a refund adjustment, when there is an indication that the TP is deceased refer to IRM 21.5.1, *General Adjustments*, and IRM 21.4.4, *Manual Refunds*, for manual refund procedures.

NOTE: Some Directorships have centralized the processing of manual refunds. If an AUR site reports to a Directorship where manual refunds have been centralized, follow local procedures regarding processing.

IRM 4.19.3.24.4(2) - added Note for manual refunds

2. **Within Operation** routing:

- Spanish correspondence may need to be sent to the appropriate bilingual person
- Manual refunds must be approved by the manager

NOTE: Some Directorships have centralized the processing of manual refunds. If an AUR site reports to a Directorship where manual refunds have been centralized, follow local procedures regarding processing.

NOTE: If the case is in BT 81 assign IPC 9E.

IRM 4.19.3.24.8(2) step 3 - added Note for when Letter 3404C is manually issued

2. If payer contact is needed:

1. Complete a history item and update the IDRS control.

NOTE: When suspending a case, update your status control to "M" (monitor).

2. Contact the payer using a Letter 2625C.

REMINDER: See IRM 4.19.3.20.7.5 (1), *Payer Contacts*, for 3rd Party Contact procedures.

3. Send the appropriate C-Letter (interim), using the IAT "Letters" tool, to the taxpayer, as needed.

NOTE: If manually issuing Letter 3404C using the IAT **Letters** tool or IDRS, you must wait 10 days before issuing the Letter 2626C.

4. Research CC STAUP and adjust the number of cycles, if needed. Refer to Exhibit 4.19.3-15, *Cycle Chart (Reconsiderations)*.
5. Suspend for 60 days.
6. If the case is in BT 81, assign IPC 9L, which moves the case to BT 82 for suspense and monitoring.

IRM 4.19.3.24.9(1) - added Note for manual refunds

1. **Manual Refunds** are issued based on specific criteria. Some examples of situations when a manual refund should be issued are:

NOTE: The IAT "Manual Refund" tool **must** be used to issue a manual refund.

NOTE: Some Directorships have centralized the processing of manual refunds. If an AUR site reports to a Directorship where manual refunds have been centralized, follow local procedures regarding processing.

- a. Taxpayer requests a refund amount below one dollar.
- b. The taxpayer is deceased and a refund is to be issued to an executor or surviving spouse. If Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, is not attached, correspond to request one.
- c. The refund is to be issued in a name and/or address other than the one on Master File.
- d. The account was pulled from the retention register.
- e. The case is considered a hardship, i.e., unable to meet living expenses, eviction, and other situations of similar magnitude.