

IRM PROCEDURAL UPDATE

DATE: 10/03/2012

NUMBER: WI-21-1012-1664

SUBJECT: MeF Form 1120S Mismatch on Filing Requirements

AFFECTED IRM(s)/SUBSECTION(s): 21.7.4.4.4.11.2

CHANGE(s):

IRM 21.7.4.4.4.11.2(8) Added Procedures for Handling Calls From Taxpayers whose MeF Form 1120S Electronic Returns Has Been Rejected Due To a Mismatch on the Filing Requirements

8. Certain taxpayers are unable to file Form 1120S electronically due to a mismatch on the filing requirements. In these cases, the taxpayer has filed Form 2553 and an un-reversed TC 090 is on ENMOD, however, the filing requirements have not been updated to 1120-02. Therefore, the return is rejected. If you receive a call from a taxpayer who states that they tried to file Form 1120S electronically but were rejected, check for an un-reversed TC 090 on the account for the tax period in question and follow the chart below:

If	Then
If the taxpayer has a valid S Corporation election (TC 090) but their filing requirement code is 01	Inform the taxpayer of the valid election. Tell them to follow the instructions provided by their ERO/e-file provider to file their return. Note: If their ERO/e-file provider has not contacted the e-help desk unit, advise the caller that the ERO/e-file provider should call the e-help desk toll-free at 1-866-255-0654 for instruction.
If the taxpayer has already contacted the e-help desk and they were unable to help them	Tell the taxpayer to file their Form 1120S on paper and request abatement if and when they receive a penalty notice from the service. Apologize for the inconvenience. Also, prepare a Form 4442 and route to Entity. Entity will input a TC 092 and then a TC 090 (a cycle later) in an attempt to re-instate the 1120-02 filing requirement.