

## IRM PROCEDURAL UPDATE

**DATE: 5/16/2013**

**NUMBER: WI-21-0513-0926**

**SUBJECT: Change to Carryback Manual Refund Tolerance When the 45-day Interest-Free Period Has Expired**

**AFFECTED IRM(S)/SUBSECTION(S): 21.5.9.5.12**

**CHANGE(S):**

**IRM 21.5.9.5.12(1) Added guidance for the change in the carryback manual refund threshold to \$25,000 when the 45-day interest-free period has expired.**

1. The following chart provides instructions for when a Carryback manual refund must be issued.

<b>If</b>	<b>And</b>	<b>Then</b>	<b>Additional Information</b>
The refund amount is \$5,000 or more	The 45-day interest free period is in jeopardy	Issue a manual refund	If one module has a \$6,000 refund, and the 45-day interest-free period is in jeopardy, issue a manual refund. If another module has a \$4,500 refund, do not issue a manual refund for that module
The refund amount is \$25,000 or more	The 45-day interest-free period has expired	Issue a manual refund	If one module has a \$25,500 refund, and the 45-day interest-free period has expired, issue a manual refund. If another module has a \$10,000 refund, do not issue a manual refund for that module
An X- Freeze is present on the module, regardless of the amount of the carryback refund		Issue a manual refund	The X- freeze is set when the module credit balance is . The freeze prevents any credits from systemically offsetting or refunding. Effective January 2010,

			<p>the X- freeze is released once the credit available for refund or offset (including principal and any credit interest the taxpayer is entitled to) drops below .</p> <p>See IRM 21.5.6.4.47, <i>X-Freeze</i>, for additional information</p>
The 90-day TENT processing time is in jeopardy		Issue a manual refund if the TENT is 70 days or older	See IRM 21.5.9.5.30 for additional information
The refund amount, including interest, exceeds \$1 million. (The \$1 million threshold for manual refunds is used to ensure as little interest payout as possible on carryback refunds)		Issue a manual refund	<p>Prepare Form 5792 for manual refunds under \$10 million, and Form 3753 for manual refunds \$10 million and over.</p> <p>Manual refunds over \$1 million that include credit interest must be reviewed by the Technical Unit. See IRM 21.4.4.5, <i>Other Manual Refund Requirements</i>, for review processing. Also see IRM 21.4.4.4, <i>Preparation of Manual Refund Forms</i> for additional information</p>
The name and/or address differs from Master File	There is a filing Status change, or consolidated corporate return, etc.	Issue a manual refund	Attach an explanation to the manual refund. Input TC 971 Action Code 037, as needed. See IRM 21.4.4.5, <i>Other Manual Refund Requirements</i> , for additional information
The taxpayer or spouse is deceased		Issue a manual refund	See IRM 21.4.1.4.9.4, <i>Deceased Taxpayers</i> for additional information
If an offset		Issue a	Refer to IRM

credit will be included in the carryback refund		manual refund	21.4.6.4.1.1, <i>Tax Offset Reversal</i> , for guidance on determining when the tax credit offset must be reversed
The refund is over \$1 million dollars when the request is for a direct deposit		Issue a direct deposit manual refund	Form 3753 must be used per IRM 21.4.4.4.2, <i>Preparation of the Form 3753, Manual Refund Posting Voucher</i> . Prepare Form 3753 when the taxpayer is requesting a wire transfer (Form 8302), see IRM 3.17.79.3.10.1, <i>Form 8302, Electronic Deposit of Tax Refund of \$1 Million or More Processing Requests for Refunds</i> . Manual refunds over \$1 million that include credit interest must be reviewed by the Technical Unit. See IRM 21.4.4.5, <i>Other Manual Refund Requirements</i> , for review processing
The refund is authorized by the Insolvency Unit or Appeals on "-V" freeze accounts or "-W" freeze accounts		Issue a manual refund after obtaining approval from the Insolvency Unit or Appeals	See IRM 21.5.6.4.44, <i>-V Freeze</i> , for additional information

2. Follow manual refund procedures in IRM 21.4.4, *Manual Refunds*.